

NEW ISSUE – BOOK ENTRY ONLY

In the opinion of McGuireWoods LLP, Bond Counsel, based on existing law and subject to the conditions described in the section herein entitled "TAX MATTERS," interest on the Tax-Exempt Bonds (i) is excludable from the gross income of the owners of the Tax-Exempt Bonds for Federal income tax purposes and (ii) is not treated as a specific item of tax preference for purposes of the Federal alternative minimum tax. It is also the opinion of Bond Counsel that, under existing law of the State of Maryland, the Bonds, their transfer, the interest thereon, and any income therefrom (including any profit made in the sale thereof) are exempt from state, county, municipal or other taxation of every kind and nature within the State of Maryland; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds, their transfer or the interest thereon. See the information contained herein under the caption "TAX MATTERS."



\$39,855,000
CALVERT COUNTY, MARYLAND
GENERAL OBLIGATION BONDS

CONSISTING OF

\$22,155,000 COUNTY COMMISSIONERS OF CALVERT COUNTY
CONSOLIDATED PUBLIC IMPROVEMENT AND REFUNDING BONDS,
2020 SERIES (TAX-EXEMPT)

AND

\$17,700,000 COUNTY COMMISSIONERS OF CALVERT COUNTY
REFUNDING BONDS, 2020 SERIES (TAXABLE)

Dated: Date of Initial Delivery

Due: as shown on inside front cover

Bond Ratings

Fitch Ratings: AAA

Moody's Investors Service, Inc.: Aaa

S&P Global Ratings: AAA

Redemption

Tax-Exempt Bonds maturing on or after July 1, 2031 are redeemable in whole or in part, on or after July 1, 2030. Taxable Bonds maturing on or after May 1, 2031 are redeemable in whole or in part, on or after May 1, 2030. – Page 3.

Security

General obligations of County Commissioners of Calvert County.

Purpose

The proceeds are being used to finance certain public improvements and to refund certain outstanding County debt– Page 4.

Interest Payment Dates

Interest on the Tax-Exempt Bonds will be paid semiannually on each January 1 and July 1, beginning January 1, 2021. Interest on the Taxable Bonds will be paid semiannually each May 1 and November 1, beginning May 1, 2021.

Closing/Settlement

On or about November 5, 2020

Denominations

\$5,000

Book-Entry-Only Form

The Depository Trust Company, New York, NY

Bond Registrar/Paying Agent

Manufacturers and Traders Trust Company, Buffalo, NY

Bond Counsel

McGuireWoods LLP, Baltimore, MD

Financial Advisor

Davenport & Company LLC, Towson, MD

Issuer Contact

Calvert County Director of Finance and Budget: (410) 535-1600

FOR MATURITY SCHEDULES, INTEREST RATES, PRICES OR YIELDS
AND CUSIP NUMBERS, SEE INSIDE FRONT COVER

The Bonds are offered for delivery when, as and if issued, subject to the approving legal opinions of McGuireWoods LLP, Baltimore, Maryland, Bond Counsel and other conditions specified in the official Notices of Sale. The Bonds in definitive form will be available for delivery through the facilities of DTC in New York, New York, on or about November 5, 2020.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The date of this Official Statement is October 22, 2020

\$22,155,000

**COUNTY COMMISSIONERS OF CALVERT COUNTY
CONSOLIDATED PUBLIC IMPROVEMENT AND REFUNDING BONDS, 2020 SERIES (TAX-EXEMPT)**

<u>Maturing July 1</u>	<u>Principal Amount</u>	<u>Interest Rate*</u>	<u>Price or Yield*</u>	<u>CUSIP</u>	<u>Maturing July 1</u>	<u>Principal Amount</u>	<u>Interest Rate*</u>	<u>Price or Yield*</u>	<u>CUSIP</u>
2021.....	\$1,910,000	4.000%	0.220%	131537P97	2029.....	\$1,055,000	4.000%	0.950%	131537Q96
2022.....	1,990,000	4.000	0.240	131537Q21	2030.....	1,090,000	3.000	1.050	131537R20
2023.....	2,070,000	4.000	0.260	131537Q39	2031.....	1,110,000	1.375	1.460	131537R38
2024.....	2,160,000	4.000	0.300	131537Q47	2032.....	1,130,000	1.500	1.630	131537R46
2025.....	2,245,000	4.000	0.360	131537Q54	2033.....	1,150,000	1.625	1.730	131537R53
2026.....	935,000	4.000	0.530	131537Q62	2034.....	1,165,000	1.750	1.840	131537R61
2027.....	970,000	4.000	0.670	131537Q70	2035.....	1,185,000	1.875	1.950	131537R79
2028.....	1,010,000	4.000	0.810	131537Q88					

\$180,000 2.000% Term Bonds due July 1, 2037 Yield 2.000% CUSIP 131537R95

\$285,000 2.000% Term Bonds due July 1, 2040 Yield 2.120% CUSIP 131537S45

\$200,000 2.125% Term Bonds due July 1, 2042 Yield 2.200% CUSIP 131537S60

\$315,000 2.250% Term Bonds due July 1, 2045 Yield 2.300% CUSIP 131537S94

\$17,700,000

**COUNTY COMMISSIONERS OF CALVERT COUNTY
REFUNDING BONDS, 2020 SERIES (TAXABLE)**

<u>Maturing May 1</u>	<u>Principal Amount</u>	<u>Interest Rate*</u>	<u>Price or Yield*</u>	<u>CUSIP</u>	<u>Maturing May 1</u>	<u>Principal Amount</u>	<u>Interest Rate*</u>	<u>Price or Yield*</u>	<u>CUSIP</u>
2021.....	\$60,000	2.000%	0.250%	131537T28	2031.....	\$310,000	2.000%	1.550%†	131537U42
2022.....	1,605,000	2.000	0.300	131537T36	2032.....	315,000	2.000	1.700†	131537U59
2023.....	2,640,000	2.000	0.400	131537T44	2033.....	315,000	2.000	1.850†	131537U67
2024.....	2,630,000	2.000	0.500	131537T51	2034.....	310,000	2.000	2.000	131537U75
2025.....	2,620,000	2.000	0.650	131537T69	2035.....	310,000	2.050	2.050	131537U83
2026.....	2,595,000	2.000	0.800	131537T77	2036.....	310,000	2.100	2.100	131537U91
2027.....	1,190,000	2.000	1.000	131537T85	2037.....	270,000	2.150	2.150	131537V25
2028.....	780,000	2.000	1.150	131537T93	2038.....	165,000	2.200	2.200	131537V33
2029.....	790,000	2.000	1.300	131537U26	2039.....	170,000	2.250	2.250	131537V41
2030.....	315,000	2.000	1.400	131537U34					

† Priced to call date.

* The interest rates shown above are the interest rates payable by the County resulting from the successful bids for the Bonds on October 22, 2020 by FHN Financial Capital Markets (Tax-Exempt Bonds) and Robert W. Baird & Co., Inc. (Taxable Bonds). The prices or yields shown above are furnished by the successful bidders for each series of the Bonds. All other information concerning the terms of reoffering of the Bonds, if any, should be obtained from the successful bidders and not from the County (see "SALE AT COMPETITIVE BIDDING" herein).

CUSIP (Committee on Uniform Securities Identification Procedures) data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association ("ABA") by S&P Global Market Intelligence. "CUSIP" is a registered trademark of the ABA. CUSIP numbers are included solely for the convenience of the holders of the Bonds. Neither the County nor the successful bidders takes any responsibility for the accuracy of CUSIP information. The CUSIP number for a specific maturity is subject to change after the issuance of the Bonds in certain circumstances. The County has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the assigned CUSIP numbers set forth herein. The use of CUSIP numbers in this Official Statement is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services.

COUNTY COMMISSIONERS OF CALVERT COUNTY

CERTAIN ELECTED OFFICIALS

Kelly McConkey
President, Board of County Commissioners

Mike Hart
Vice President, Board of County Commissioners

Steven R. Weems
Commissioner

Earl F. Hance
Commissioner

Thomas Hutchins
Commissioner

Nova (Novalea) Tracy-Soper
Treasurer

CERTAIN APPOINTED OFFICIALS

Julian "Mark" Willis
County Administrator

Linda Vassallo
Deputy County Administrator

Timothy Hayden
Director of Finance and Budget

Mary Beth Cook
Director of Planning and Zoning

Kelly Robertson-Slagle
Director of Economic Development

Dave Fitz
Director of Communications & Media Relations

Kerry Dull
Director of Public Works

Shannon Nazzal
Director of Parks and Recreation

BOND COUNSEL
McGuireWoods LLP
Baltimore, Maryland

FINANCIAL ADVISOR
Davenport & Company LLC
Towson, Maryland

INDEPENDENT AUDITOR
SB & Company, LLC
Hunt Valley, Maryland

BOND REGISTRAR, PAYING AGENT AND ESCROW AGENT
Manufacturers and Traders Trust Company
Buffalo, New York

VERIFICATION AGENT
Bingham Arbitrage Rebate Services Incorporated
Richmond, Virginia

Requests for additional copies of this Official Statement or any questions regarding this Official Statement or the Bonds should be directed to Timothy Hayden, Director of Finance and Budget, Court House 175 Main Street, Prince Frederick, Maryland 20678, (410) 535-1600 or to Jennifer Diercksen, at Davenport & Company LLC, 8600 LaSalle Road, Suite 618, The Oxford Bldg. Towson, Maryland 21286, (410) 296-9426.

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No dealer, broker, salesman or other person has been authorized by the County Commissioners of Calvert County (the “County”) or the successful bidder to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or holders of any of the Bonds.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the County since the respective dates as of which information is given herein.

SUMMARY OF OFFERING

Issuer	County Commissioners of Calvert County.
Bonds	\$22,155,000 County Commissioners of Calvert County Consolidated Public Improvement and Refunding Bonds, 2020 Series (Tax-Exempt) (the “Tax-Exempt Bonds”).
.....	\$17,700,000 County Commissioners of Calvert County Refunding Bonds, 2020 Series (Taxable) (the “Taxable Bonds”).
	The Tax-Exempt Bonds and the Taxable Bonds are referred to collectively as the “Bonds.”
Interest Payment Dates	Interest on the Tax-Exempt Bonds will be paid semiannually on each January 1 and July 1, beginning January 1, 2021 until maturity or prior redemption. Interest on the Taxable Bonds will be paid semiannually on each May 1 and November 1, beginning May 1, 2021 until maturity or prior redemption.
Optional Redemption	The Tax-Exempt Bonds maturing on or after July 1, 2031, are subject to redemption as a whole or in part at any time on and after July 1, 2030, at the option of the County, at a redemption price of 100% of the principal amount thereof, plus accrued interest. The Taxable Bonds maturing on or after May 1, 2031, are subject to redemption as a whole or in part at any time on and after May 1, 2030, at the option of the County, at a redemption price of 100% of the principal amount thereof, plus accrued interest. See “THE BONDS – Redemption” herein.
Federal and Maryland Income Tax.... Exemption	Information as to the tax status of the Bonds may be found in the section of this Official Statement captioned “TAX MATTERS”.

**SYNOPOSIS OF STATISTICAL DATA
PERTAINING TO
COUNTY COMMISSIONERS OF
CALVERT COUNTY**

As of June 30, 2020

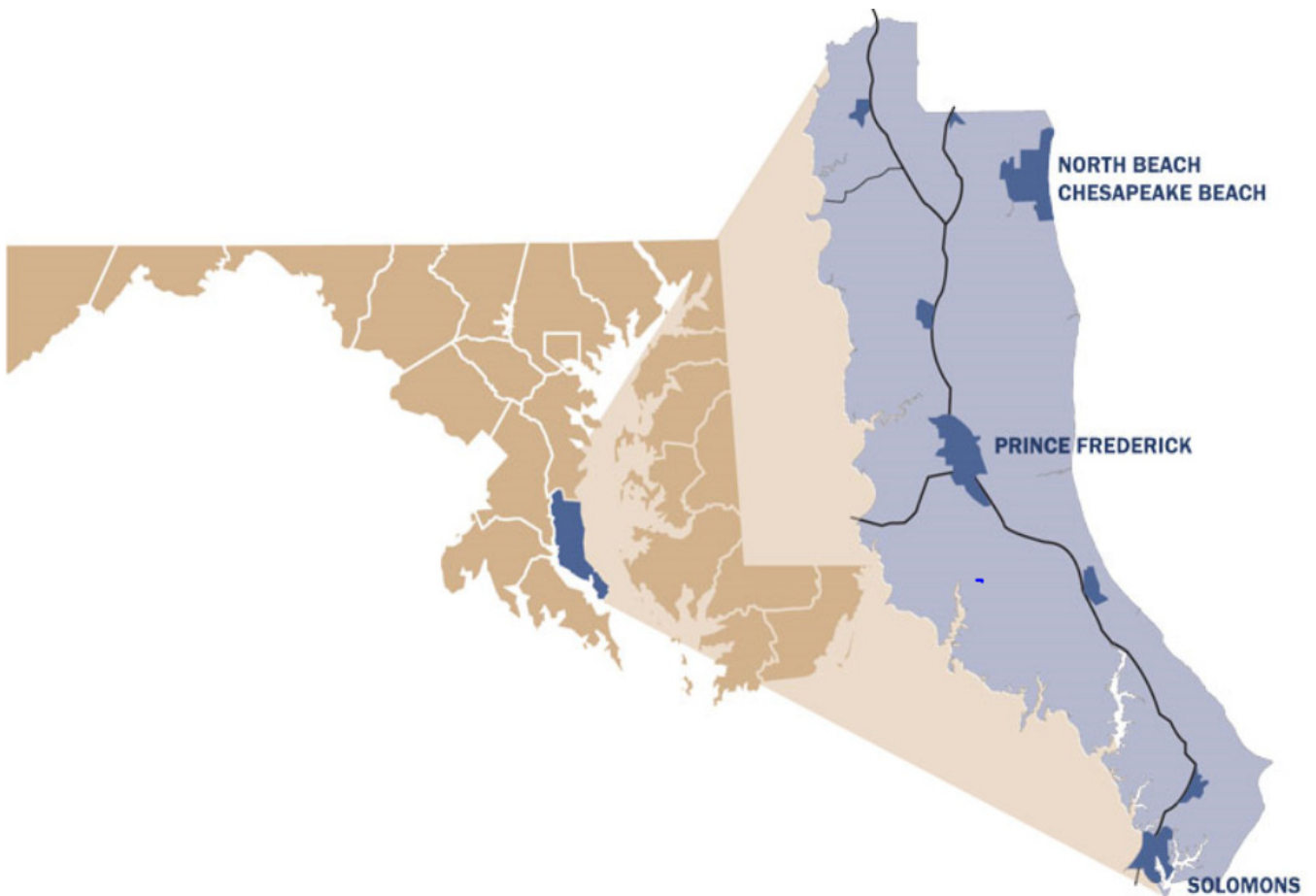
Population	92,525 ⁽¹⁾
Total assessed value of all taxable property, fiscal year 2019.....	\$12,172,739,081
Ratio of assessed to estimated market value (real property)	100%
County real property tax rate per \$100 of assessed value	\$0.937
Portion of 2018 - 2019 levy collected	
Amount	\$111,425,819 ⁽²⁾
Percentage.....	97.21%
Ratio of net direct debt to assessed value (after issuance)	1.32% ⁽³⁾
Per capita net direct debt (after issuance).....	\$1,734.50 ⁽³⁾
Net underlying debt (incurred directly by municipalities).....	\$10,673,118

(1) Source: 2019 estimate provided by Calvert County Department of Planning and Zoning.

(2) Includes various real property tax credits.

(3) As of June 30, 20120, net of enterprise debt.

Calvert County, Maryland





OFFICIAL STATEMENT

\$39,855,000

CALVERT COUNTY, MARYLAND GENERAL OBLIGATION BONDS Consisting of

**\$22,155,000 COUNTY COMMISSIONERS OF CALVERT COUNTY
CONSOLIDATED PUBLIC IMPROVEMENT AND REFUNDING BONDS,
2020 SERIES (TAX-EXEMPT)**

And

**\$17,700,000 COUNTY COMMISSIONERS OF CALVERT COUNTY
REFUNDING BONDS, 2010 SERIES (TAXABLE)**

INTRODUCTION

General

The purpose of this Official Statement, including the cover page (excluding prices or yields) and appendices, is to provide information for prospective purchasers and others who may become holders of any of the \$22,155,000 County Commissioners of Calvert County Consolidated Public Improvement and Refunding Bonds, 2020 Series (Tax-Exempt) (the “Tax-Exempt Bonds”) and \$17,700,000 Refunding Bonds, 2010 Series (Taxable) (the “Taxable Bonds” and, together with the Tax-Exempt Bonds, the “Bonds”), which are being issued as general obligation bonds by the County Commissioners of Calvert County (“Calvert County” or the “County”), a body politic and corporate and a political subdivision of the State of Maryland (the “State”). The information herein has been assembled from various sources, including County records, economic data supplied by the Calvert County Departments of Planning and Zoning, Economic Development, and Finance and Budget, and the Bureau of Economic Analysis of the U.S. Department of Commerce, the Maryland Department of Commerce and financial statements prepared by the County and audited by SB & Company LLC, the County’s independent auditors for the 2019 fiscal year report. This information is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which such information is stated or the date hereof.

All estimates and assumptions herein have been based upon information believed to be reliable and correct. Statements made involving estimates and assumptions, however, whether or not expressly so stated are intended merely as such and not as representations of fact. Figures herein relating to tax collection, assessed value of property and the financial position of the County have been taken from official records of the County.

The material and information contained in this Official Statement have been provided by the County, and the execution and distribution of this Official Statement have been authorized and approved by the County.

Description and Government

Calvert County is located in the Southern Maryland section of the western shore of the Chesapeake Bay. It is a peninsula bounded on the east by the Chesapeake Bay and on the west by the Patuxent River and contains approximately 219 square miles. The County's northern neighbor is Anne Arundel County, and Prince George's, Charles and St. Mary's Counties lie across the Patuxent River. Calvert and Charles Counties are connected via the Patuxent River Bridge located in Benedict, Maryland, and St. Mary's County is connected via a bridge at the southern tip of Calvert County.

Prince Frederick, the County seat, is located 35 miles southeast of Washington, D.C., and 55 miles south of Baltimore. The closest points of these metropolitan areas to the boundary of the County are, respectively, 18 and 38 miles.

The major north-south highway traversing Calvert County is Maryland Route 4, a four-lane highway from Washington, D.C. to Solomons Island and over the bridge to St. Mary's County. Other major thoroughfares in Calvert County are Maryland Route 2, which connects the County with the State capital in Annapolis and thence with U.S. Routes 301 and 50, and Interstate Route 97. Maryland Route 231, a two-lane highway, connects Prince Frederick with Hughesville in Charles County via the Patuxent River Bridge where it intersects with Maryland Route 5, the major north-south artery in Charles and St. Mary's Counties.

The topography of Calvert County is variable and rugged. An upland plain runs generally in a northwest-southeast direction and forms the central spine of the County. On the Chesapeake Bay side, the upland terminates in high cliffs of clay, gravel and sand rising from the shoreline to maximum heights of 125-135 feet. On the west, the upland areas slope toward the Patuxent River forming a level terrace commonly called "bottom land." The elevation here varies from approximately 10 to 40 feet.

Calvert County has more than 110 miles of shoreline. The bay shoreline is approximately 32 miles in length and the river shoreline is approximately 78 miles in length.

Calvert County was established as one of the original counties of the Maryland Colony in 1654 and was named for Frederick Calvert, the last Lord Baltimore. Prince Frederick, the County seat, was established in 1723 at Williams Old Fields and named Prince Frederick in 1925. Development during these and subsequent years was facilitated by the Chesapeake Bay and the Patuxent River, which afforded access to much of the County.

There are two incorporated municipalities in Calvert County, the towns of Chesapeake Beach and North Beach.

Calvert County is governed by a five-member Board of County Commissioners, each of whom is elected for a four-year term. Each December, the Commissioners elect a President and a Vice President from their number.

The offices of the Commissioners are located in the Courthouse, 175 Main Street, Prince Frederick, Maryland 20678. The Commissioners' office telephone number is (410) 535-1600. The County's Internet address is www.calvertcountymd.gov.

All references in this Official Statement to the County's Internet home page are provided for convenience only. The information on the County's Internet home page is not incorporated herein, by reference or otherwise.

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THE BONDS

General

The Bonds will initially be maintained under a book-entry only system; beneficial owners shall have no right to receive physical delivery of certificates representing their interests in the Bonds. The Bonds are dated their date of initial delivery and are being issued in the aggregate principal amount of \$39,855,000. The Tax-Exempt Bonds will mature on July 1 of the years, in the principal amounts and bear interest at the interest rates set forth on the inside front cover of this Official Statement. The Taxable Bonds will mature on May 1 of the years, in the principal amounts and bear interest at the interest rates set forth on the inside front cover of this Official Statement.

The Bonds are general obligations of the County for the payment of which the full faith and credit and the unlimited taxing power of the County are irrevocably pledged (see “Source of Payment” below). Interest on the Tax-Exempt Bonds is payable semiannually on each January 1 and July 1, beginning January 1, 2021, until and including the date of maturity or earlier redemption, to the registered owners, as shown on the bond registration books maintained by the Bond Registrar on the fifteenth day of the month immediately preceding each interest payment date. Interest on the Taxable Bonds is payable semiannually on each May 1 and November 1, beginning May 1, 2021, until and including the date of maturity or earlier redemption, to the registered owners, as shown on the bond registration books maintained by the Bond Registrar on the fifteenth day of the month immediately preceding each interest payment date. Interest on the Bonds will be calculated based on a 360-day year consisting of twelve 30-day months.

Authorization

The Bonds are being issued pursuant to the authority of Chapter 27 of the Laws of Maryland of 2015, Chapter 182 of the Laws of Maryland of 2016, Chapter 80 of the Laws of Maryland of 2017, Chapter 117 of the Laws of Maryland of 2018, Chapter 326 of the Laws of Maryland of 2020 and Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume), are being consolidated pursuant to Section 19-101 of the Local Government Article of the Annotated Code of Maryland, and are authorized to be issued, sold and delivered by a Resolution adopted by the Board of County Commissioners on September 29, 2020, as supplemented by a Resolution adopted by the Board of County Commissioners on October 22, 2020 (collectively, the “Bond Resolution”).

Redemption of Bonds

Optional Redemption

The Tax-Exempt Bonds maturing on or after July 1, 2031 shall be subject to redemption prior to their respective maturities, at the option of the County, at any time on or after July 1, 2030, either as a whole or in part, but only upon payment of a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption. The Taxable Bonds maturing on or after May 1, 2031 shall be subject to redemption prior to their respective maturities, at the option of the County, at any time on or after May 1, 2030, either as a whole or in part, but only upon payment of a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Tax-Exempt Bonds maturing on July 1, 2037, July 1, 2040, July 1, 2042 and July 1, 2045 are subject to redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory sinking fund installments on July 1 of the following years and in the following amounts:

Tax-Exempt Term Bond maturing July 1, 2037

<u>Year</u>	<u>Sinking Fund Installment</u>
2036	\$90,000
2037*	90,000

*Maturity

Tax-Exempt Term Bond maturing July 1, 2040

<u>Year</u>	<u>Sinking Fund Installment</u>
2038	\$95,000
2039	95,000
2040*	95,000

*Maturity

Tax-Exempt Term Bond maturing July 1, 2042

<u>Year</u>	<u>Sinking Fund Installment</u>
2041	\$100,000
2042*	100,000

*Maturity

Tax-Exempt Term Bond maturing July 1, 2045

<u>Year</u>	<u>Sinking Fund Installment</u>
2043	\$105,000
2044	105,000
2045*	105,000

*Maturity

If such Tax-Exempt Bonds are optionally redeemed in part prior to the mandatory redemption date, the sinking fund installments for such Tax-Exempt Bonds shall be reduced on a pro rata basis.

Redemption Procedures

If less than all of the outstanding Bonds are called for redemption, the County shall choose the particular series and maturities of the Bonds to be redeemed and the principal amount of each maturity to be redeemed, in its sole discretion. If less than all of the Bonds of any one maturity of a series are called for redemption, the particular Bonds to be redeemed from such maturity shall be selected by lot by the Bond Registrar (hereinafter defined), except that so long as The Depository Trust Company (“DTC”) or its nominee is the sole registered owner of the Bonds, the particular Bonds or portion to be redeemed shall be selected by lot by DTC, in such manner as DTC shall determine. Each \$5,000 portion of a Bond shall be treated as a separate Bond in the selection by lot of Bonds to be redeemed.

In case part but not all of a Bond shall be selected for redemption, then, upon the surrender thereof, there shall be issued without charge to the registered owner thereof a Bond or Bonds in any authorized denomination as specified by the registered owner. The aggregate principal amount of the Bond or Bonds so issued shall be equal to the unredeemed balance of the principal amount of the Bond surrendered.

If the County elects to redeem all or a portion of the Bonds outstanding, a redemption notice shall be given to DTC by a secure means in accordance with DTC's applicable operational arrangements not less than 30 days prior to the redemption date (or such fewer number of days as shall be acceptable to DTC). If the book-entry only system is discontinued for the Bonds, a redemption notice shall be mailed by the Bond Registrar, on behalf of the County, not less than 30 days prior to the date fixed for redemption, postage prepaid, to the registered owners of the Bonds to be redeemed by first class mail at their last addresses appearing on the registration books maintained by the Bond Registrar (the "Bond Register"). The redemption notice shall include the information required by the Bond Resolution, including any conditions to such redemption. Failure to deliver or mail such notice with respect to a particular Bond to be redeemed or any defect in such notice, or in the delivery or mailing thereof, shall not affect the sufficiency of the redemption proceedings. From and after the date fixed for redemption, if funds sufficient for the payment of the redemption price of the Bonds call for redemption are held by the Bond Registrar on such date, the Bonds so called for redemption shall become due and payable at the redemption price provided for the redemption of such Bonds on such date, interest on the Bonds shall cease to accrue and the registered owners of such Bonds so called for redemption shall have no rights in respect thereof expect to receive payment of the redemption price thereof from such monies held by the Bond Registrar. Upon presentation and surrender of a Bond called for redemption, the Bond Registrar shall pay the appropriate redemption price of such Bond. If Bonds so called for redemption are not paid upon presentation and surrender as described above, such Bonds shall continue to bear interest at the rates stated therein until paid.

Form and Denomination

The Bonds shall be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Manufacturers and Traders Trust Company, Buffalo, New York (the "Bond Registrar" and the "Paying Agent"), will act as bond registrar, paying agent and authenticating agent for the Bonds.

Source of Payment

The County will assess and levy in each year, so long as any of the Bonds are outstanding and unpaid, an ad valorem tax on all property subject to taxation within Calvert County, sufficient in rate and amount to pay the principal of and interest on the Bonds and the full faith and credit of the County is irrevocably pledged to the prompt payment of the principal of and interest on the Bonds.

Application of Proceeds

A portion of the proceeds of the Tax-Exempt Bonds will be applied, together with funds from other sources, (1) to finance all or a portion of the costs associated with the capital projects listed below and (2) to pay the expenses of the issuance and sale of the Tax-Exempt Bonds. The following summarizes the manner in which such amounts are expected to be used:

Use	Proceeds
Northern High School	\$ 3,640,000
CO.7 - Apparatus	1,200,000
Career EMS Apparatus	740,000
Public Safety 800 MHz Systems	8,600,000
Beach Elementary	750,000
Northern Middle (Sewerage Plant)	150,000
Prince Frederick Blvd Watermain	660,000
Solomons Headworks Equip	1,000,000
Calvert Memorial WWPS	300,000
Prince Frederick Pump Station IMP	200,000
Total	\$ 17,240,000

The remaining proceeds of the Tax-Exempt Bonds will be used to refund certain outstanding maturities of the County Commissioners of Calvert County Consolidated Public Improvement Bonds, 2010 Series (Taxable Build America Bonds – Direct Payment to Issuer), as more particularly described in Appendix D.

The proceeds of the Taxable Bonds will be applied to refund certain outstanding maturities of the County’s general obligation bonds and to pay certain costs of issuance of the Taxable Bonds. The bond issues, maturities and principal amounts to be refunded are described in Appendix D and are hereinafter referred to collectively as the “Refunded Bonds.”

The portion of the proceeds of the Taxable Bonds used to refund the tax-exempt Refunded Bonds will be applied to the purchase of non-callable direct obligations of or obligations the principal of and interest on which are guaranteed by the United States of America (“Government Obligations”). The Government Obligations will be held in trust in one or more escrow deposit funds (collectively, the “Escrow Deposit Fund”) by Manufacturers and Traders Trust Company (the “Escrow Agent”) pursuant to one or more escrow deposit agreements between the Escrow Agent and the County. The Government Obligations will mature at such times and in such amounts, and will bear interest payable at such times and in such amounts so that sufficient money will be available to pay when due, all principal of and premium, if any, and interest on such Refunded Bonds to and including their respective dates of redemption (See “VERIFICATION OF MATHEMATICAL COMPUTATIONS”). The Escrow Agent will apply the maturing principal of and the interest on the Government Obligations to the payment of the interest on such Refunded Bonds prior to their respective redemption dates and has been irrevocably instructed to redeem such Refunded Bonds at the earliest respective redemption dates at a price equal to the principal amount thereof plus any applicable premium and accrued interest. See Appendix D for a list of the Refunded Bonds and their respective dates of redemption. The Government Obligations will be pledged only to the payment of the principal of, premium, if any, and interest on such Refunded Bonds, and are not available for the payment of principal of or interest on the Bonds.

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BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company

The Depository Trust Company, New York, New York, (“DTC”), is acting as the securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such series and maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies.

DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, its nominee, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County and the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

Book-Entry Only System – Miscellaneous

The information in the section "Book-Entry Only System—The Depository Trust Company" has been obtained by the County from DTC. The County takes no responsibility for the accuracy or completeness thereof. Neither the County, the Bond Registrar nor the Paying Agent will have any responsibility or obligations to Direct or Indirect Participants or the persons for whom they act as nominees with respect to the payments to or in the providing of notice to Direct or Indirect Participants, or Beneficial Owners. The County cannot and does not give any assurance that Direct or Indirect Participants or others will distribute principal and interest payments paid to DTC or its nominees, as the registered owner, or any notices to the Beneficial Owners, or that they will do so on a timely basis or that they will serve and act in the manner described in this Official Statement.

Termination of Book-Entry System

In the event that the Book-Entry Only System is discontinued, the Bonds will be delivered by DTC to the Bond Registrar and such Bonds will be exchanged for certificated Bonds registered in the names of the Direct Participants or the Beneficial Owners identified to the Bond Registrar. In such event, certain provisions of the Bonds pertaining to ownership of the Bonds will be applicable to the registered owners of the Bonds as hereinbefore described (see "THE BONDS").

LEGAL MATTERS

Approval of Legal Proceedings

McGuireWoods LLP, Baltimore, Maryland, is acting as Bond Counsel in connection with the issuance and sale of the Bonds. Delivery of the Bonds is conditioned upon delivery by Bond Counsel of opinions to the effect stated on the cover page hereof and substantially in the forms set forth in Appendix B of this Official Statement. See also "TAX MATTERS."

Bondholders' Remedies

It is the opinion of Bond Counsel that the County may be sued in the event that it fails to perform its obligations under the Bonds to the holders thereof, and that any judgments resulting from such suits would be enforceable against the County. Nevertheless, a holder of a Bond who has obtained any such judgment may be required to seek additional relief to compel the County to levy and collect such taxes as may be necessary to provide the funds from which such judgment may be paid. Although there is no Maryland law with respect to this issue, it is the opinion of Bond Counsel that the appropriate courts of Maryland have jurisdiction to grant additional relief, such as a mandatory injunction, if necessary, to enforce the levy and collection of such taxes and payment of the proceeds thereof to the holders of the County's general obligation bonds, including the Bonds, ratably, subject to the inherent constitutional limitations referred to below.

It is also the opinion of Bond Counsel that, while remedies would be available to holders of the Bonds and while the Bonds are entitled to constitutional protection against the impairment of the obligation of contracts, such constitutional protection and the enforcement of such remedies would not be absolute. Enforcement of a claim for payment of the principal of or interest on

any of the Bonds could be made subject to the applicable provisions of Federal bankruptcy laws or other statutes that may hereafter be constitutionally enacted by the United States Congress or the Maryland General Assembly extending the time of payment or imposing other constraints upon enforcement.

TAX MATTERS

Federal Tax Treatment -- Tax-Exempt Bonds

Opinion of Bond Counsel – Federal Income Tax Status of Interest. Bond Counsel's opinion with respect to the Tax-Exempt Bonds will state that, under current law, interest on the Tax-Exempt Bonds (i) is excludable from the gross income of the owners of the Tax-Exempt Bonds for purposes of Federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not a specific item of tax preference for purposes of the Federal alternative minimum tax.

Bond Counsel's opinion speaks as of its date, is based on current provisions of the Code, and other current legal authority and precedent, and covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the proper treatment of interest on the Tax-Exempt Bonds for Federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the County or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the "IRS") or the courts. The County has covenanted, however, to comply with the requirements of the Code.

Although Bond Counsel is of the opinion that interest on the Tax-Exempt Bonds is excludable from gross income for Federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Tax-Exempt Bonds may otherwise affect the Federal tax liability of an owner of the Tax-Exempt Bonds. The nature and extent of these other Federal tax consequences depend on the owner's particular tax status and levels of other income or deductions. Bond Counsel will express no opinion regarding any such other tax consequences and prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors with respect thereto.

See Appendix B-1 -- Draft Approving Opinion of Bond Counsel – Tax-Exempt Bonds.

Reliance and Assumptions; Effect of Certain Changes. In delivering its opinion regarding the tax treatment of interest on the Tax-Exempt Bonds, Bond Counsel is relying upon certifications of representatives of the County, the underwriters of such Tax-Exempt Bonds, the financial advisor to the County and other persons as to facts material to the opinion, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants (as hereinafter defined) by the County. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Tax-Exempt Bonds in order for interest on the Tax-Exempt Bonds to be and remain excludable from gross income for purposes of Federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Tax-Exempt Bonds and the use of the property financed by such Tax-Exempt Bonds, limitations on the source of the payment of and the security for such Tax-Exempt Bonds and the obligation to rebate certain excess earnings on the gross proceeds of such Tax-Exempt Bonds to the United States Treasury. The Non-Arbitrage Certificate and Tax Covenants to be entered into by the County (the "Tax Certificate") with respect to the Tax-Exempt Bonds contains covenants (the "Covenants") under which the County has agreed to comply with such requirements. Failure by the County to comply with the Covenants could cause interest on the Tax-Exempt Bonds to become includable in gross income for Federal income tax purposes retroactively to their date of issue. If such a failure occurs, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Tax-Exempt Bonds from becoming includable in gross income for Federal income tax purposes. Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Tax-Exempt Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Tax Certificate. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Tax-Exempt Bonds from gross income for Federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Original Issue Discount. “Original issue discount” is the excess, if any, of the amount payable at maturity (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) of any maturity of the Tax-Exempt Bonds purchased as part of the initial public offering over the issue price of the maturity. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Tax-Exempt Bonds with original issue discount (an “OID Bond”) will be excludable from gross income to the same extent as interest on the Tax-Exempt Bonds for Federal income tax purposes. In general, the “issue price” for each maturity of the Tax-Exempt Bonds is the first price at which a substantial amount of the Tax-Exempt Bonds of that maturity was sold to the public, which may differ from the price shown on the inside cover page hereof.

The Code provides that the amount of original issue discount accrues in accordance with a constant interest method based on the compounding of interest. In the case of an original owner of an OID Bond, the amount of original issue discount that is treated as having accrued on such OID Bond is added to the owner's adjusted basis in determining, for federal income tax purposes, gain or loss upon the disposition of the OID Bond (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued original issue discount will be excluded from the gross income of the owner for Federal income tax purposes.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the issue price may be determined according to rules that differ from those described above.

In addition, original issue discount that accrues in each year to an owner of an OID Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed below. Consequently, owners of any OID Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner of such OID Bond has not received cash attributable to such original issue discount in such year.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for Federal income tax purposes of the original issue discount accrued upon sale or redemption of such OID Bonds (including OID Bonds not purchased in the initial offering at their issue price) and with respect to state and local tax consequences of owning OID Bonds.

Bond Premium. In general, a Tax-Exempt Bond purchased at a price (excluding accrued interest) producing a tax basis in excess of the principal amount payable at maturity is a “Premium Bond” and the amount of the excess constitutes the “Bond Premium” on the Premium Bond. Under the Code, the Bond Premium is amortized based on the owner’s yield over the remaining term of the Premium Bond (or, in the case of certain callable Premium Bonds, to an earlier call date that results in a lowest yield on the Premium Bond). The owner of a Premium Bond must amortize the Bond Premium by offsetting the qualified stated interest allocable to each interest accrual period against the Bond Premium allocable to that period. No deduction is allowed for such amortization of Bond Premium and the owner is required to decrease the adjusted basis in the Premium Bond by the amount of the amortizable Bond Premium properly allocable to the owner.

Prospective purchasers of any Premium Bond should consult their own tax advisors regarding the treatment of Bond Premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, sale, exchange, or other disposition of, and amortization of Bond Premium on, such Premium Bond.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral Federal income tax matters with respect to the Tax-Exempt Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the Tax-Exempt Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning or disposing of the Tax-Exempt Bonds.

Prospective purchasers of the Tax-Exempt Bonds should be aware that the ownership of tax-exempt obligations may result in collateral Federal income tax consequences to certain taxpayers including, without limitation, financial institutions, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the “branch profits tax,” individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

Information Reporting and Backup Withholding. Prospective purchasers should be aware that the interest on the Tax-Exempt Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Tax-Exempt Bonds may be subject to backup withholding if the interest is paid to an owner who or which (i) is not an "exempt recipient" and (ii) (A) fails to furnish an accurate U.S. taxpayer identification number in the manner required, (B) has been notified of a failure to report all interest and dividends required to be shown on Federal income tax returns or (C) fails to certify under penalty of perjury that the owner is not subject to withholding. Individuals generally are not exempt recipients, although corporations and other entities generally are.

The reporting and backup withholding requirements do not in and of themselves affect the excludability of interest on the Tax-Exempt Bonds from gross income for Federal income tax purposes, and amounts withheld under the backup withholding rules may be refunded or credited against the owner's Federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Federal Tax Treatment -- Taxable Bonds

Opinion of Bond Counsel – Federal Income Tax Status of Interest. Bond Counsel's opinion with respect to the Taxable Bonds will state that, under current law, the interest on the Taxable Bonds is includable in the gross income of the owners thereof for purposes of Federal income taxation. See Appendix B-2 – Draft Approving Opinion of Bond Counsel – Taxable Bonds. Bond Counsel will express no opinion regarding other Federal tax consequences arising with respect to the Taxable Bonds.

Summary. The following is a summary of certain of the United States Federal income tax consequences of the ownership of the Taxable Bonds as of the date hereof. Each prospective purchaser of the Taxable Bonds should consult with its own tax advisor regarding the application of United States Federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Code, as well as Treasury Department regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the Taxable Bonds generally and does not purport to furnish information in the level of detail or with the prospective purchaser's specific tax circumstances that would be provided by a prospective purchaser's own tax advisor. For example, it generally is addressed only to original purchasers of the Taxable Bonds that are "U.S. holders" (as defined below), deals only with Taxable Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to owners that may be relevant to investors subject to special rules, such as individuals, trusts, estates, tax-exempt investors, foreign investors (including nonresident alien individuals, foreign corporations and foreign financial institutions), cash method taxpayers, dealers in securities, currencies or commodities, banks, thrifts, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts, S corporations, persons that hold Taxable Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose "functional currency" is not the U.S. dollar. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in an owner of Taxable Bonds.

As used herein, a "U.S. holder" is a "U.S. person" that is a beneficial owner of a Taxable Bond. A "non-U.S. investor" is a holder (or beneficial owner) of a Taxable Bond that is not a U.S. person. For these purposes, a "U.S. person" is a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury Department regulations), an estate the income of which is subject to United States Federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust's administration and (ii) one or more United States persons have the authority to control all of the trust's substantial decisions.

Interest on the Taxable Bonds. The Taxable Bonds will be treated, for Federal income tax purposes, as a debt instrument. Accordingly, stated interest on the Taxable Bonds will be included in the income of the owner as it is paid (or, if the owner is an accrual method taxpayer, as it is accrued) as interest.

Owners of the Taxable Bonds that allocate a basis in the Taxable Bonds that is greater than the principal amount of the Taxable Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

If an owner purchases the Taxable Bonds for an amount that is less than the principal amount of the Taxable Bonds, and such difference is not considered to be de minimis, then such discount will represent original issue discount that ultimately will constitute ordinary income (and not capital gain). U.S. holders of the Taxable Bonds will be required to include original issue discount in income for U.S. Federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income).

Sale or Other Disposition of the Taxable Bonds. Unless a non-recognition provision of the Code applies, upon the sale, exchange, redemption, retirement or other disposition of a Taxable Bond, an owner generally will recognize gain or loss on its interest in the Taxable Bonds equal to the difference between the amount realized on the sale and its adjusted tax basis in such interest in the Taxable Bonds. Such gain or loss generally will be capital gain (although any gain attributable to accrued original issue discount on the Taxable Bonds not yet taken into income will be ordinary) or loss. The adjusted basis of the owner in an interest in the Taxable Bonds will (in general) equal its original purchase price increased by any original issue discount previously included in the gross income of the owner with respect to the Taxable Bonds and decreased by any amortized premium.

Defeasance. Defeasance of the Taxable Bonds may result in a deemed exchange thereof, in which event an owner will generally recognize taxable gain or loss as described in the preceding paragraph.

Backup Withholding. Under current U.S. Federal income tax laws, a 24% backup withholding tax requirement may apply to certain payments of interest on, and the proceeds of a sale, exchange or redemption of, the Taxable Bonds. Certain persons making such payments are required to submit information returns (that is, IRS Forms 1099) to the IRS with regard to those payments. Backup withholding and information reporting will generally not apply with respect to payments made to certain exempt recipients such as corporations or certain exempt entities.

Medicare Tax. For taxable years beginning after December 31, 2014, an additional 3.8% tax will be imposed on the “net investment income” of certain individuals, estates and trusts that have “modified adjusted gross income” above a certain threshold. Net investment income includes but is not limited to, the interest on the Taxable Bonds and gains from the disposition of a Taxable Bond. Prospective investors should consult their tax advisors regarding the possible applicability of this tax to an investment in the Taxable Bonds.

Opinion of Bond Counsel – State Tax Exemption

In the opinion of Bond Counsel, under existing law of the State of Maryland, the Bonds, their transfer, the interest thereon, and any income therefrom (including any profit made in the sale thereof) are exempt from state, county, municipal or other taxation of every kind and nature within the State of Maryland; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds, their transfer or the interest thereon.

Interest on the Bonds may be subject to state and local taxes in jurisdictions other than the State of Maryland under applicable state or local laws. Prospective purchasers of the Bonds should consult their own tax advisors regarding the taxable status of the Bonds in a particular state or local jurisdiction other than the State of Maryland.

Effects of Future Enforcement, Regulatory and Legislative Actions

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for Federal income tax purposes. If the IRS does audit the Tax-Exempt Bonds, the IRS will, under its current procedures, treat the County as the taxpayer. As such, the beneficial owners of the Tax-Exempt Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Tax-Exempt Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in Federal or state income tax rates and the application of Federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on tax-exempt obligations from gross income for Federal or state income tax purposes.

The Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code and court proceedings may be filed the outcome of which could modify the Federal or state tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the Bonds, regulatory interpretation of the Code or actions by a court involving either the Bonds or other tax-exempt obligations will not have an adverse effect on the Bonds' Federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed Federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

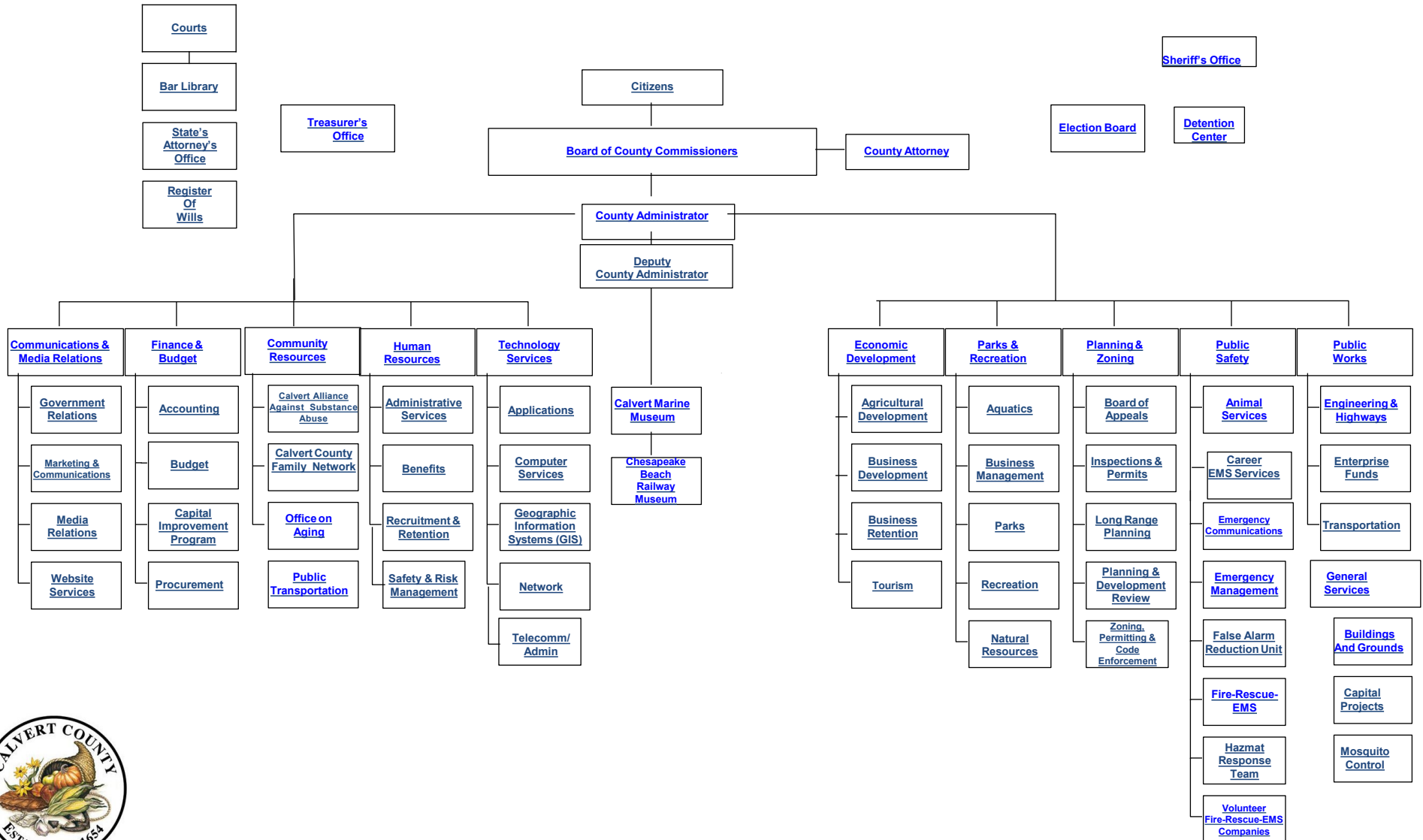
RATINGS

Fitch Ratings, Moody's Investors Service, Inc. and S&P Global Ratings have given the Bonds the ratings indicated on the cover page of this Official Statement. An explanation of the significance of any of such ratings may be obtained only from the rating agency furnishing the same. The County furnished to such rating agencies the information contained in a preliminary form of this Official Statement and other materials and information pertaining to the Bonds. Generally, rating agencies base their ratings on such material and information, as well as their own investigations, studies and assumptions. Each rating given the Bonds may be changed at any time and no assurance can be given that any such rating will not be revised downward or withdrawn by the applicable rating agency if, in the judgment of such rating agency, circumstances should warrant such action. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on market prices for the Bonds.

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Calvert County Government

175 Main Street, Prince Frederick, MD 20678
Local: 410-535-1600; Metro: 301-855-1243



COUNTY GOVERNMENT AND ADMINISTRATION

General

The County is governed by a five-member Board of County Commissioners, and the Commissioners are elected for continuous four-year terms. One Commissioner is elected annually by the Board of County Commissioners to serve as its President and one Commissioner is elected annually by the Board to serve as its Vice President. The Board of County Commissioners meet bi-weekly on Tuesdays and at other times as it deems necessary.

The Board of County Commissioners regards the orderly management of growth of the County as its primary planning concern. To this end, the Board of County Commissioners is operating under the Comprehensive Plan approved in 2004. The Board has also passed an Adequate Public Facilities Ordinance and established various excise taxes and a solid waste fee.

Certain Elected and Appointed Officials

Earl F. Hance, County Commissioner, was elected At-Large Representative to the Board of County Commissioners in 2018. Hance served as secretary of the Maryland Department of Agriculture in the cabinet of Governor Martin O'Malley from May 2009 to January 2015, after serving as deputy secretary of the department since February 2007. Commissioner Hance was born in Prince Frederick, Maryland. Following graduation from Calvert High School in 1973, he joined the Prince Frederick Volunteer Fire Department. Prior to his appointment to the state post, Commissioner Hance served as a member of several civic and agricultural organizations including the board of directors of the American Farm Bureau Federation from 2004 to 2007 and as president of the Maryland Farm Bureau from 2003 to 2007. Commissioner Hance is a fourth-generation family farmer and owns a 600-acre working farm in Port Republic, Maryland, where he resides with his family.

Mike Hart, County Commissioner, was elected to the Board of County Commissioners in 2014 representing Calvert County District 1. He currently serves as the Board Vice-President. Commissioner Hart is a businessman with over 21 years' experience. Commissioner Hart currently owns and operates Patuxent Wine & Spirits in Lusby. Commissioner Hart is a longtime, active supporter of many charitable and educational organizations in Calvert County and continues to support those activities. He lives with his wife and children in the Lusby area.

Thomas Hutchins, County Commissioner, was elected from the second district to the Board of County Commissioners. Prior to his election, Commissioner Hutchins had been appointed by Gov. Larry Hogan in 2015 as the director of the Governor's Office of Homeland Security where he served as the personal advisor to the governor on all homeland security issues from counterterrorism to disasters. In addition, he served as a deputy chief of staff, supervising a portfolio of agencies including the departments of State Police, Military, Public Safety and Correctional Services, Veterans Affairs, Information Technology, Institute for Emergency Medical Service System, Emergency Management Agency and the Office of Crime Control and Prevention. Commissioner Hutchins was appointed by Governor Robert L. Ehrlich Jr. in 2003 as Secretary of the Department of Maryland State Police and the Superintendent of the Maryland State Police. He had previously served in the department for more than two decades before his retirement in 1994. Commissioner Hutchins graduated from several professional schools of law enforcement, including the FBI National Executive Institute in Quantico, Virginia and the Leadership Academy of Policing Leadership and Command Program, Bramshill Police College, Bramshill, United Kingdom. Commissioner Hutchins served in the United States Army and the Maryland Army National Guard. He is a Vietnam veteran and has served in many other countries around the world. Hutchins is a 1990 graduate of the United States Army Sergeants Major Academy in El Paso, Texas. He retired from the Army National Guard in 2004 after serving almost four decades of continuous duty. Commissioner Hutchins was elected three consecutive times from 1994 to 2003 to represent Charles County in the Maryland House of Delegates. As a delegate he served on the House Judiciary Committee, the Special Committee on Drug and Alcohol Abuse, the Criminal Justice Information Advisory Board, the Governor's Task Force on Childproof Guns and the Governor's Anti-Terrorism Work Group. He served in the House of Delegates until February 2003, when Governor Ehrlich appointed him Secretary of the Department of Veterans Affairs. Commissioner Hutchins has a Master's degree in state and local government from the University of Maryland University College, a Bachelor of Science degree in law enforcement and sociology from University College and an Associate of Arts degree in criminal justice from the Charles County Community College. He founded a scholarship endowment at the College of Southern Maryland for military veterans who enroll in the law enforcement or public safety academic track. Commissioner Hutchins has worked as a contractor through a nongovernment organization enhancing law enforcement services in the Provincial Police Department of Cordoba, Argentina. He also worked as a contractor for the United States Department of Defense and has assisted a number of foreign law enforcement elements during his several careers. Commissioner Hutchins served in Estonia with the Partnership for Peace after the collapse of the Soviet Union and also served on a forum in Sarajevo reviewing postwar law enforcement issues. Commissioner Hutchins is married and has three children.

Kelly McConkey, County Commissioner, was elected from the third district to the Board of County Commissioners. He currently serves as Board President. Commissioner McConkey owns and operates Kelly's Nursery in Dunkirk. He previously served on the Calvert County Board of Education. Commissioner McConkey is a past president and currently a member of The Optimist Club of Calvert County, coaches Little League baseball and believes in giving back to his community. He graduated from Crossland High School in 1986 and attended Charles County Community College for two years. Commissioner McConkey lives in the Dunkirk area with his wife and family.

Steven R. Weems, County Commissioner, was elected At-Large Representative to the Board of County Commissioners in 2010 and re-elected in 2014, served as Board Vice President in 2014, and as the Board's President in 2015. He received his B.S. degree from Frostburg State University. Commissioner Weems is a businessman with over 25 years of experience. His current business endeavor, Wemyss Liquors in St. Leonard, is the oldest family-owned liquor store in Calvert County. Commissioner Weems has been an active supporter of many charitable, athletic and educational organizations and activities throughout Calvert County. Mr. Weems resides in St. Leonard with his wife and family.

Nova (Novalea) Tracy-Soper, Treasurer, was elected to her first term of office in 1994. She graduated from Calvert Christian High School in 1984, and holds a B.S. degree in Business Management, with a minor in Accounting, from the University of Maryland University College. She was employed for 10 ½ years with The First National Bank of Maryland, where she attained the position of Assistant Branch Manager, and earned the qualifications of Registered Investment Representative, Bank Auditor and Budget Preparer and Monitor. She previously held the position of Treasurer for the Calvert County Historical Society. In 1997, she received the Outstanding Young Women of America award. In 1998, she was selected as an honored member of the International Who's Who. Nova was selected in 2005 as the Republican Woman of the Year. She has resided in Calvert County since 1970 and currently lives in Port Republic with her two children.

J. Mark Willis, County Administrator, holds a Bachelor of Science in Psychology from the University of Florida. He was appointed County Administrator on January 1, 2020 after serving as the Director of Planning & Zoning from May of 2016 to December of 2019. He previously served as the Deputy Director of Public Works, where he oversaw the Solid Waste and Water & Sewer enterprise fund programs; the Highway Maintenance Division, and as the County's first Fleet Maintenance and Management Division Chief between December of 2000 and April of 2016. Mr. Willis served in the United States Marine Corps for more than 21 years. During his career, he served in various combat units, as a Marine Corps Drill Instructor at Parris Island, South Carolina, as an instructor at the U.S. Merchant Marine Academy, Kings Point, New York, as the Air Delivery Platoon Commander at Camp Lejeune, North Carolina, and with Manpower Management, Headquarters Marine Corps. He graduated with honors from the Army's Combined Logistics Advanced Officers Course located at the Army War College, Fort Lee, Virginia, and is the Distinguished Honor Graduate from both the Army's Ranger and Airborne schools, as well as a graduate from the Army's Rigger School. Mr. Willis is a 2014 graduate of the Leadership Maryland. He has served on various community boards including the Calvert County Historical Society, Jefferson Patterson Park & Museum, Relay for Life, Distinguished Young Women and as president of his home owner's association.

Linda S. Vassallo, Deputy County Administrator, holds a Bachelor of Science in Mass Communication from Towson State University. She was appointed Deputy County Administrator on July 1, 2020 after serving as the County's first Director of Communications & Media Relations from 2017 to 2020. She previously served as the Director of Economic Development from 1999-2017, and as Marketing & Communications Specialist from 1996-1999. During her tenure as Director of Economic Development, Calvert County's business base more than doubled from 1,700 businesses in 1996 to more than 4,650 businesses in 2017 and the non-utility commercial tax base increased more than 200% or nearly \$900 million. Ms. Vassallo has more than 33 years' experience in the field of public relations, government relations, communications, marketing and business development. Prior to joining Calvert County Government, she served as a communications associate for USEC, public information specialist for SAIC, special projects analyst for the National Renewable Energy Laboratory and intern staff to the National Republican Senatorial Committee on Capitol Hill. She is a member of the Leadership Southern Maryland Leadership Council, former LSM president, member of the Public Relations Society of America, the Maryland Association of Counties, and is a 2007 graduate of Leadership Maryland. She currently serves as a board member on the Patuxent Partnership, and is a previous board member to the Maryland Economic Development Association, and Southern Maryland Economic Development Association.

Timothy Hayden, Director of Finance and Budget, CPA, CMA holds a B.S. Degree in Accounting from University of Maryland, College Park. He has worked for Calvert County since 2002. Prior to joining Calvert County Government, he served as Assistant Controller for a not for profit trade organization. His background includes employment as a senior staff at a CPA firm and senior staff accountant at a not for profit membership/publishing organization. He is a member of the American Institute of Certified Public Accountants, Institute of Management Accountants (AICPA), the Institute of Management Accountants (IMA), Government Finance Officers Association (GFOA), and an officer of the Maryland Government Finance Officers Association (MDGFOA). He serves as a member of the Board of Trustees for the Calvert County Employees Retirement Plan; the Calvert County Employees Retirement Savings Plan, the Calvert County Sheriff's Department Pension Plan; and the Calvert County Employees Other Post-Employment Benefits Trust Fund.

Kelly Robertson-Slagle, Director of Economic Development, holds a B.S. degree in marketing from the University of Maryland. She was appointed director in July 2017. Ms. Robertson-Slagle has over 25 years of experience in economic development expansion and retention, tourism development, government relations, business development and direct technical consulting. Ms. Robertson-Slagle has extensive experience in working with new and expanding businesses and cultivating relationships between counties and the business community, economic development agencies, and state, regional and federal agencies. She previously served as Calvert County's first business retention specialist. Prior to joining the department, Ms. Robertson-Slagle served as director of the Maryland Small Business Development Center (SBDC) where she provided leadership in planning, coordinating and overseeing the development, delivery and reporting of all entrepreneurship programs, activities and services for the Southern Maryland region. She also served as business development manager for the Calvert County Department of Economic Development, director of government/member relations with the Tri-County Council for Southern Maryland and business development specialist with the Maryland Department of Business & Economic Development where she worked directly with local jurisdictions on business retention and expansion projects. She is a 2010 graduate of Leadership Southern Maryland and a 2018 graduate of Leadership Maryland and member of the Maryland Economic Development Association, International Economic Development Council and the current Vice President of the Southern Maryland Economic Development Association and the Southern Maryland Innovation and Technology Initiative.

Kelly Dull, Director of Public Works, who was most recently the director of general services, has an extensive leadership and military background. He served in the U.S. Army for more than 28 years in a variety of positions beginning as an aviation officer in 1989 before being promoted to the rank of major and assigned to the Pentagon as an airborne reconnaissance officer in January 2001. Mr. Dull quickly moved up the ranks becoming a battalion operations officer in June 2003, battalion executive officer in 2004 and material management and logistics officer in October 2006. In November 2007, Mr. Dull joined the National Guard Bureau Joint Staff where he served as a strategic analyst/counter-narcotics program manager. There, he served as lead strategist for the joint staff, identifying and bridging gaps between policies while providing reports and analysis on key information and objectives to senior leaders. Mr. Dull later became commander for the 29th Combat Aviation Brigade and ended his career with the Army National Guard as the chief of staff for the 29th Infantry Division. In this role, he was responsible for leading organization activities and operational planning by successfully supporting and implementing a strategic framework with more than 500 executive-level staff for three chief executives. He identified necessary resources and managed budget constraints to meet established priorities and goals. Mr. Dull holds a bachelor's degree in marketing and management and a master's degree in business administration, with a concentration in finance.

Mary Beth Cook, Director of Planning & Zoning, who was most recently the deputy director/zoning officer in the Calvert County Department of Planning & Zoning, has worked for county government for more than 26 years. Ms. Cook began working for the county government in April 1993 as an engineer and was quickly promoted to a project engineer in the Department of Public Works. In 2008, Ms. Cook was appointed the deputy director for Planning & Zoning. During her career with the County government, Ms. Cook has been an integral part of County planning projects including master plans and the 2040 Comprehensive Plan. Working closely with the Planning Commission, Ms. Cook has recommended and managed the adoption of text amendments to the Calvert County Zoning Ordinance. As Zoning Officer, she has oversight of Zoning Code Enforcement. Ms. Cook holds a bachelor's degree in civil engineering technology from the University of Pittsburgh and is a graduate of Leadership Maryland, class of 2019, and is also a graduate of Leadership Southern Maryland, class of 2017. Ms. Cook holds certificates in supervisory development through Calvert County Government, College of Southern Maryland Continuing Education Course, Delegating & Accountability, Rockhurst University Certificate of Continuing Education, and Management & Leadership Skills for First Time Managers. She is actively involved in the Academy for Excellence in Local Government, the American Planning Association, Calvert Hospice and Maryland Association of Counties. Ms. Cook has raised her three sons in the County and resides with her husband in Port Republic.

Shannon Q. Nazzal, Director of Parks & Recreation, is a Girl Scout Gold Award recipient, holds a Bachelors of Arts in Sports Management from Florida State University, a Master's of Science in Sports Administration from Florida State University, and a Masters of Public Administration from Florida International University. A member of Leadership Southern Maryland's Class of 2019, Shannon is one of only two people in the State of Maryland to hold the distinction of Certified Parks and Recreation Executive (CPRE), a national standard for managerial, administrative and executive parks and recreation professionals. Originally from Florida, Shannon has served in the field of parks and recreation since 2004 in localities of varying sizes and has been employed with Calvert County Government since July of 2017 as the County's first Parks & Recreation Director. She is a member of the Maryland Recreation and Parks Association (MRPA) and the National Recreation and Parks Association (NRPA) where she has served as a Commission on Accreditation of Parks and Recreation Agencies (CAPRA) Visitor since 2016.

Dave Fitz, Director of Community Media & Relations, holds a master's degree in Management and Leadership from Webster University and a Master of Business Administration degree from Columbia Southern University. Mr. Fitz was appointed Director on July 1, 2020, following a promotion as the department's Deputy Director after serving only months in the position. A Frederick County, Maryland native, with early childhood years in Pittsburgh, he has worked in the public relations field since 1991. Prior to joining Calvert County Government, Mr. Fitz served as Public Affairs Officer for the Federal Bureau of Investigation (FBI) at both FBI Headquarters in Washington, D.C. and the FBI Baltimore Field Office for more than eight years and as Communications Director at Calvert Cliffs Nuclear Power Plant in Lusby. Mr. Fitz also served in the U.S. Navy as a public affairs officer for 20 years with tours which include: the U.S. Navy Flight Demonstration Squadron (the Blue Angels), aboard an amphibious assault ship, USS Bataan (LHD 5), where he served as the first U.S. Navy public affairs officer on the scene after Hurricane Katrina hit the Gulf Coast. Mr. Fitz also served aboard the aircraft carrier Theodore Roosevelt (CVN 71), two tours at Fort Meade, Maryland and a tour at a recruiting district based out of Philadelphia. He is a previous board member for the Calvert County Chamber of Commerce and a member of the Public Relations Society of America.

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Retirement and Pension Programs

Calvert County Employees' Savings Plan

On July 28, 1998, the Commissioners approved the formation of a single employer defined contribution pension plan with a 5% County contribution and a required 3% contribution from all eligible employees. The plan was put in place January 1, 1999 and the Employees Plan (defined below) was closed to new entrants. All employees (except for full-time deputy sheriffs and correctional officers) hired after June 30, 1998 were automatically enrolled in the defined contribution pension plan. Required contributions and all other plan provisions are established by the County Commissioners and administered by a County-appointed Board of Trustees. The contributions by the County and the employees for the fiscal year 2020 were \$1,504,497 and \$948,798, respectively.

Calvert County Employees' Retirement Plan

The County contributes to the Calvert County Employees Retirement Plan (the Employees Plan), a single employer defined benefit pension plan that provides retirement benefits and death and disability benefits to participating employees and their beneficiaries. If hired before July 1, 1996, benefits vest 100% for service greater or equal to 5 years, or if hired on or after July 1, 1996, benefits vest 100% for service greater or equal to seven years. County employees are eligible to receive retirement benefits for the first month following completion of 30 years of eligibility service or (1) if hired prior to July 1, 1996, first month following attainment of age 62, completion of 2 years eligibility service and sum of age and service is at least 67, and (2) if hired on or after July 1, 1996, first month following attainment of age 62, and completion of 7 years of eligibility service. Benefits are payable monthly for life, in an amount equal to 1.5% of the average final salary (the highest consecutive thirty-six month period of base pay) up to covered compensation for each year of service up to 30 years plus 0.3% of average final salary over the Social Security integration level for each year of service up to 30 years, plus 1.0% of the average final salary for each year in excess of 30 years up to 5 years. Benefit provisions and all other requirements are established by the County Commissioners and administered by a County-appointed Board of Trustees.

Participating County employees are required to contribute 2% of their annual compensation to the Employees Plan, plus an additional 2% of base salary in excess of Social Security Wage Base. The County contributes the remaining amounts necessary to fund the payments of benefits under the Employees Plan based upon the direction of its consulting actuary. The contributions made to the Employees Plan for fiscal year 2020 were made based on estimates provided by the County's actuary. The contributions consisted of amounts contributed by the employees of \$86,961. The County's costs for fiscal year 2020 were \$2,288,000.

Since 2018, members of the plan have the option to participate in the Deferred Retirement Option Program (DROP). Participation requires being eligible for normal retirement. A DROP Participant (1) agrees to retire from County employment at the end of the DROP Participation Period; (2) consents to the final calculation of their future retirement benefits at the time they enter the DROP; and (3) consents to the accumulation of his or her retirement benefits during the DROP Participation Period into a DROP Account. The DROP account is invested as determined by the participant, within the constraints of the offered plan and that balance is subject to adjustments for investment returns during that period. Each DROP Participant shall be paid the balance of his or her DROP Account at the end of the DROP Participation Period as specified.

Prior to the formation of the Employees Plan, County employees participated in the State Retirement and Pension System of Maryland (the System). On October 29, 1996, the Commissioners approved the withdrawal of employees of Calvert County from the System. Based on the establishment of the Employees Plan, all employees covered under the System were given the option to participate in the Employees Plan or remain in the System. All but 58 County employees opted to participate in the new plan.

Calvert County Volunteer Fire and Rescue Pension Plan

The County contributes to the Length of Service Awards Program (LOSAP) for the Volunteer Fire and Rescue Squads personnel of Calvert County, a single-employer noncontributory retirement and pension plan. Any person who is certified as an active member with any Calvert County Volunteer Fire Company or Rescue Squad is eligible to participate. Active members who attain age 55 and have completed 25 years of certified volunteer service shall receive \$400 per month plus \$4 per month additional for each year of service in excess of 25 years, with a maximum benefit of \$500 per month. If an active member attains age 70 and has 2 years of qualifying service out of the least 5 years, but does not complete 25 years of service, a monthly benefit equal to \$8 times the years of service will be payable. The LOSAP also provides for death and disability benefits to participating volunteers. Benefit provisions and all other requirements are established by the Fire and Rescue Commission and approved by the Commissioners as authorized by State law. The County contributes all amounts necessary to fund the payments of benefits under the LOSAP.

The contributions made by the County to the LOSAP for fiscal year 2020 were \$674,694 and were based on estimates provided by the County's actuary.

Calvert County Sheriff's Department Pension Plan

The County contributes to the Calvert County Sheriff's Pension Plan (the Sheriff's Plan), a single-employer defined benefit pension plan. All full-time deputy sheriffs and correctional officers employed by the County, excluding those who were hired prior to July 1, 1989, who elected to remain in the State System, are eligible to participate in this plan. Benefits vest 50% after 5 years, increasing 5% a year to 100% after 15 years. County employees who retire at or after age 55 or after 25 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.4% of their final average earnings for each year of service up to 20, plus 2% of final average earnings for each year of service over 20 years and up to 27 years. The Sheriff's Plan also provides for death and disability benefits to participating employees. Benefit provisions and all other requirements are established by a County-appointed Board of Trustees.

Since 2018, members of the plan have the option to participate in the Deferred Retirement Option Program (DROP). Participation requires being eligible for normal retirement. A DROP Participant (1) agrees to retire from County employment at the end of the DROP Participation Period; (2) consents to the final calculation of their future retirement benefits at the time they enter the DROP; and (3) consents to the accumulation of his or her retirement benefits during the DROP Participation Period into a DROP Account. The DROP account is invested as determined by the participant, within the constraints of the offered plan and that balance is subject to adjustments for investment returns during that period. Each DROP Participant shall be paid the balance of his or her DROP Account at the end of the DROP Participation Period as specified.

Participating County employees are required to contribute 8% of their annual compensation to the Sheriff's Plan, compounded annually with 5% interest. The County contributes the remaining amounts necessary to fund the payments of benefits under the Sheriff's Plan based upon the direction of its consulting actuary.

The contributions made to the Sheriff's Plan for fiscal year 2020 by the County and the employees were \$2,685,000 and \$1,071,674, respectively, and were made based on estimates provided by the County's actuary.

The following table sets forth the County's contributions for each Retirement and Pension System for the five most recent fiscal years ended June 30:

Fiscal Year	Calvert County Sheriff's Plan	Calvert County Fire & Rescue LOSAP	Calvert County Employees Plan	Calvert County Savings Plan	Total Contributions
2016	\$3,050,000	\$540,000	\$2,570,000	\$1,098,529	\$7,260,545
2017	3,200,000	550,000	2,900,000	1,131,557	7,783,574
2018	2,290,000	655,000	2,710,000	1,173,085	6,830,103
2019	2,500,000	700,000	2,800,000	1,456,905	7,458,924
2020	2,685,000	674,694	2,288,000	1,504,497	7,154,211

Source: Calvert County Department of Finance and Budget.

State Retirement System of Maryland

The State Retirement Agency (the Agency) is the administrator of the System, a cost sharing multiple-employer public-employee retirement system. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202 or by calling (800) 492-5909.

Members of the System may elect to contribute 5% to 7% of their earnable compensation depending on the retirement option selected. County employer contribution rates are determined actuarially. The County's required contributions and actual contributions to the System for the fiscal years 2015 through 2017 were zero. The computation of the pension contribution provisions, actuarial funding method and other significant factors are used to determine pension contribution requirements in the previous year. Contributions by the State of Maryland on behalf of the Calvert County Public Library were \$373,453, \$412,030, and \$412,030 for the fiscal years 2019, 2018, and 2017, respectively.

As of June 30, 2019, there were 6 County employees in the State Retirement System, 56 employees in the State Pension System, 88 employees in the Employees Retirement Plan, 536 employees in the Calvert County Savings Plan and 188 employees in the Sheriff's Plan.

Other Post-Employment Benefits

The County and the Board of Education provide their employees with other post-employment benefits (“OPEB”). The County and the Board of Education have historically funded these programs on a pay-go basis but were required to fund OPEB on an actuarial basis beginning in fiscal year 2008. The County’s actuary determined, as of July 1, 2019, that the County’s Net OPEB liability related to active and retired County employees was \$40,093,558. As of July 1, 2019, the Board of Education’s Net OPEB liability related to active and retired Board of Education employees was \$118,589,489. The County uses a 7.5% discount rate and the Board of Education use a 7.00% discount rate based on the funding status of the OPEB Trust Fund. The County and the Board of Education funded \$24,496,096 out of their respective operating budgets leaving a balance of \$158,683,027 to fully fund the liability. The County OPEB contribution for fiscal year 2020 was \$11,634,447.

Labor Relations

As of June 30, 2019, the County’s average payroll included 1,154 employees. This figure includes merit, elected, contract, and appointed employees. It also includes the Calvert Marine Society, Housing Authority, the Board of Library Trustees and grant employees, but does not include the employees of the Board of Education. The County is not a party to any collective bargaining agreements. The County has not experienced a work stoppage due to labor relations disputes and considers its relationship with its employees to be satisfactory.

Insurance

The County is a member of the Maryland Local Government Insurance Trust. Section 19-602 of the Insurance Article of the Annotated Code of Maryland authorizes public entities, including local governments, in Maryland to pool together for the purpose of purchasing casualty insurance or self-insuring casualty risks. This trust also enables the County to pool with other local governments in order to obtain risk management and loss control services to minimize the cost of comprehensive general liability, business automobile liability and physical damage, law enforcement liability, public officials legal liability, insurance claims and administration.

Those activities not covered under the Maryland Local Government Insurance Trust, including workers’ compensation, are provided adequate coverage by policies obtained through competitive bidding.

Leases and Other Contracts

The County has lease agreements for library and animal shelter space, some additional office and meeting space. These lease payments are budgeted at \$963,338 in fiscal year 2021.

Accounting and Financial Operations

The basic financial statements of the County Commissioners of Calvert County, Maryland have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). These financial statements present the Primary Government and its component units, which are reported in separate columns in the Government-wide financial statements. The following is a summary of the more significant policies applied to these statements.

A. Financial Reporting Entity

The reporting entity includes the Primary Government’s financial statements as well as the County’s component units. Using the criteria of GASB Statement No. 14, defining the Governmental Reporting Entity, the Board of Education of Calvert County Public Schools and the Economic Development Authority of Calvert County, are considered component units. The County is financially accountable for the entity or its relationship with the Primary Government is of such significance that exclusion would cause the financial statements to be misleading. Excluded from presentation in the County’s financial statements are the Calvert County Housing Authority, the Volunteer Fire and Rescue Squads, the Calvert County Fair, Inc., and the Calvert County Soil Conservation District. Even though the Housing Authority’s Board is appointed by the County, the County does not exercise oversight responsibility over the Housing Authority. The financial statements do not include the Calvert County Health Department, a governmental entity that has been formed under applicable state laws as separate and distinct from the County.

B. Government-wide Financial Statements

The Government-wide Financial Statements present financial information about the County as a whole. These financial statements include the Primary Government activities and distinguish between those activities that are *governmental*, supported by taxes and intergovernmental revenues, and those that are considered *business-type* activities, which rely to a significant extent on fees and charges for support. These statements also include separate presentation of the component units. The Government-wide Statement of Net Position and Statement of Activities measure and report all assets (both financial and capital), liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and the accrual basis of accounting.

C. Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net assets, revenues, and expenditures/expenses. The various funds are summarized by fund type in the financial statements.

Governmental Fund Types

The Governmental fund types are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, these statements use a current financial resources measurement focus and the modified accrual basis of accounting. This fund type's financial statements focus on near term inflows and outflows of spendable resources. Under this method, revenue is recognized when it becomes measurable and available. Availability is determined when amounts are collected within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. Expenditures are recognized as incurred, except for debt service and certain other liabilities, which are recognized as payments are due. The types of governmental funds are presented below.

General Fund – The General Fund is the general operating fund of the County. All financial resources are accounted for in this fund except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted or committed to expenditures for specific purposes. The Special Revenue Funds consist of the Planning and Zoning Special Revenue Fund, Excise Tax Fund, Board of Library Trustees for Calvert County Fund (the Library), Land Preservation Fund, Economic Development Incentive Fund, Parks and Recreation Fund, Chesapeake Hills Golf Course, Calvert Marine Museum, Bar Library Fund, Economic Development Authority Revolving Loan Fund, Revolving Loan Fund, Grants Fund, and Calvert County Family Network Fund.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures that are for the acquisition or construction of major capital facilities of the County and the Board of Education of Calvert County Public Schools.

Proprietary Fund Types

Proprietary funds are used to account for County business-type activities, which are primarily self-supporting and supported by user fees. This fund type uses the economic resources measurement focus and full accrual basis of accounting.

Enterprise Funds – Enterprise Funds are used to report any activity for which a fee is charged to external users for goods or services. Enterprise funds are used to account for the operations of the Water and Sewer Fund and the Solid Waste and Recycling Fund of the County.

Fiduciary Fund Types

Trust Funds – The County maintains Pension Trust Funds to account for Volunteer Fire and Rescue Retirement benefits, the Calvert County Sheriff's Pension Plan, the Calvert County Employees Retirement Plan, and the Other Post-Employment Benefits Trust Fund.

Agency Funds – The Agency Fund is used to account for assets held by the County in a trustee capacity or as an agent for individuals, other governments, and/or other funds. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The Agency Fund type is used to account for the activities of the Tax Redemption Fund of the County.

D. Capital Assets and Long-term Liabilities

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by the fund's measurement focus. The governmental fund types do not include these long-term items, as these funds focus on *spendable financial resources*. All general County capitalized fixed assets, including buildings, roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized and depreciated and included in the Government-wide financial statements as governmental activities. Capital assets and long-term liabilities related to the County's Enterprise fund activities are capitalized and depreciated within the Enterprise funds as these funds use the *economic resources* measurement focus. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Depreciation is charged over the estimated useful lives using the straight-line method.

Budgeting

Annual Operating Budget

The Board of County Commissioners annually adopts an operating budget for the County. The revenue estimates are prepared by the Department of Finance and Budget using the latest statistical data available, i.e., actual historical trend analysis, the State property tax assessment records, State income tax growth forecasts, market rate forecasts for investment income, etc. Simultaneously, each County department, agency, or board receiving County funds submits a budget request through the County Administrator and the Director of Finance and Budget to the Board of County Commissioners at a public hearing. Additional public hearings are conducted to obtain taxpayers' comments. On or before July 1, the budget is legally enacted through passage of a resolution which sets the County property tax rate for the ensuing fiscal year.

Currently, after the adoption of the annual budget, the County Code allows for transfers to be made in accordance with restrictions established by resolution. The Director of Finance and Budget is authorized to transfer budgeted amounts up to \$10,000. Budget adjustments up to \$25,000 may be authorized by the County Administrator. Budget adjustments in excess of \$25,000, but less than \$150,000 must be approved by the Board of County Commissioners. Effective October 1, 2018, any change totaling more than \$150,000 may be made only by resolution approved by the Board of County Commissioners after compliance with certain public hearing requirements.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Capital Projects Funds, Enterprise Funds, and Special Revenue Funds. The budget for the General Fund is adopted on a basis consistent with GAAP except that encumbrances are treated as expenditures rather than as a reservation of fund balance on a budgetary basis.

The County's general operating actual expenditures for fiscal year 2019 are \$291,834,583. The fiscal year 2019 expenditures represent an increase of \$8,661,838 or approximately 3.06% increase over the previous fiscal year. The adopted budget for fiscal year 2021 is \$318,494,180, which represents an increase of \$5,579,115 or approximately 1.78% above the adopted fiscal year 2020 budget. Under the full cash value method, the real property tax rate was decreased in fiscal year 2021 from \$0.937 to \$0.932 per \$100 of assessed value. The personal property tax rate is maintained at \$2.23 per \$100 of assessed value.

Capital Budgeting

The Board of County Commissioners adopts a Capital Projects Budget on an annual basis concurrent with the General Operating Budget. Projects are selected from the County's long-range plan and are budgeted on a fiscal year and a project length basis. The Capital Project Budget includes all capital projects financed in whole or in part by County appropriations. The document also includes the proposed capital projects to be undertaken in the next five fiscal years and the proposed funding for each.

Historical Revenues and Expenditures

The following table sets forth the actual General Fund revenues and expenditures for fiscal year 2015 to fiscal year 2019.

General Fund Statement of Actual Revenues, Expenditures and Encumbrances (Budgetary Basis) Fiscal Years Ended June 30

Revenues	2015	2016	2017	2018	2019
Taxes:					
Real property taxes	\$ 96,894,328	\$ 97,687,252	\$ 106,116,699	\$ 107,935,323	\$ 108,055,737
Corporate and personal property tax	22,222,104	22,261,935	23,359,465	6,968,903	7,139,273
Payment in lieu of tax	19,646,574	19,646,574	19,646,574	59,746,574	70,551,574
Additions and abatements	(132,598)	(35,332)	(39,365)	(121,616)	(32,136)
Penalties and interest	462,172	501,519	506,867	490,321	603,834
Tax credits	(898,821)	(842,043)	(950,401)	(923,503)	(1,458,001)
Income taxes	71,289,228	74,566,392	77,251,931	83,786,433	88,732,813
Other local taxes	8,591,595	9,889,282	11,712,702	10,631,525	11,494,118
Taxes-shared	570,547	587,376	583,043	887,127	1,215,713
Total taxes	<u>\$ 218,645,129</u>	<u>\$ 224,262,955</u>	<u>\$ 238,187,515</u>	<u>\$ 269,401,087</u>	<u>\$ 286,302,925</u>
Licenses and permits:					
Business licenses and permits	259,525	289,950	301,893	256,652	303,427
Other licenses and permits	29,389	35,718	38,544	29,811	32,219
Total licenses and permits	288,914	325,668	340,437	286,463	335,646
Intergovernmental revenue	4,034,445	4,424,884	4,438,425	4,481,846	4,384,542
Charges for services	3,974,326	4,024,812	4,198,022	4,442,285	5,362,312
Fines and forfeitures	573,086	486,477	702,429	487,121	431,112
Miscellaneous:					
Interest and dividends	33,352	80,626	233,146	892,435	2,707,282
Rents and concessions	129,905	140,484	9,600	18,378	19,821
Other miscellaneous	1,491,678	883,378	2,039,393	455,455	415,067
Total miscellaneous	1,654,935	1,104,488	2,282,139	1,366,268	3,142,170
Total revenues	<u>\$ 229,170,835</u>	<u>\$ 234,629,284</u>	<u>\$ 250,148,967</u>	<u>\$ 280,465,070</u>	<u>\$ 299,958,707</u>
Expenditures					
General government	\$ 19,367,996	\$ 15,398,141	\$ 15,824,544	\$ 17,300,102	\$ 18,926,804
Public safety	28,998,357	29,418,694	31,250,676	33,533,759	37,276,270
General services	11,962,768	12,036,904	12,449,508	13,576,533	14,753,890
Public works	7,269,528	6,251,145	8,855,673	11,349,916	13,981,617
Economic development	1,112,798	1,084,949	1,127,281	698,138	742,887
Community resources	1,873,257	1,922,547	1,932,129	2,103,394	2,141,986
Education	123,879,765	123,383,182	123,385,413	130,104,834	135,672,923
Social services and health	-	4,162,989	4,451,930	4,535,729	4,499,415
Pension and insurance	23,367,037	22,072,681	21,981,083	40,154,447	35,268,562
Debt service (1)	17,295,573	17,079,679	17,109,701	17,741,960	20,285,987
Total expenditures	<u>\$ 235,127,079</u>	<u>\$ 232,810,911</u>	<u>\$ 238,367,938</u>	<u>\$ 271,098,812</u>	<u>\$ 283,550,341</u>
Excess or (deficiency)	(5,956,244)	1,818,373	11,781,029	9,366,258	16,408,366
Other financing sources (uses):					
Transfers in:					
Board of Education - Tropper	177,434	197,875	201,858	1,449,473	217,134
Board of Education	-	47,992	70,580	-	-
Board of Education - Sheriff's Office	-	-	-	-	34,500
Excise tax fund	2,500,000	1,000,000	-	1,000,000	-
Transfers out:					
Capital projects fund	(1,537,667)	(2,377,674)	(2,612,200)	(8,549,134)	(8,256,651)
Grants fund	(1,669,234)	(1,699,420)	(1,636,323)	(1,828,752)	(2,180,976)
Parks & Recreation fund	(302,249)	(302,055)	(402,055)	(453,234)	(736,964)
Chesapeake Hills golf course	(221,920)	(166,383)	(166,200)	(174,148)	(436,425)
Solid Waste & Recycling fund (1)	(53,630)	(43,392)	(19,630)	(31,652)	(20,346)
Land preservation fund	(303,945)	(403,945)	(403,945)	(1,025,000)	(1,025,000)
Family network fund	-	-	(6,042)	(12,013)	(14,235)
Bar Library fund	(35,056)	(36,108)	(35,564)	-	-
Water and Sewer fund (1)	-	(8,568)	-	-	-
Revolving loan fund	(300,000)	-	-	-	-
Total other financing sources (uses)	(1,746,267)	(3,791,678)	(5,009,521)	(9,624,460)	(12,418,963)
Excess or (deficiency)	\$ (7,702,511)	\$ (1,973,305)	\$ 6,771,508	\$ (258,202)	\$ 3,989,403

(1) Water and Sewer and Solid Waste and Recycling debt service expenditures are shown in their respective funds. All other debt service expenditures are made from the General Fund.

Source: Calvert County Department of Finance and Budget.

**General Fund
Summary of Fund Balance
Fiscal Years Ended June 30**

Fund Balances:	2015	2016	2017	2018	2019
<i>(post GASB 54)</i>					
Non-spendable	\$ 7,288,398	\$ 8,181,368	\$ 6,778,094	\$ 9,567,714	\$ 9,587,329
Restricted	-	54,030	54,030	-	-
Committed	22,100,797	22,838,421	25,047,021	28,647,798	32,922,611
Assigned	6,218,619	6,218,619	5,000,000	5,000,000	5,000,000
Unassigned	16,622,116	14,200,844	24,060,353	18,787,277	22,292,284
Total Fund Balance	<u>\$ 52,229,930</u>	<u>\$ 51,493,282</u>	<u>\$ 60,939,498</u>	<u>\$ 62,002,789</u>	<u>\$ 69,802,224</u>

Source: Calvert County Department of Finance and Budget.

Actual results for Fiscal Year 2019 and Budget for Fiscal Years 2020 and 2021

The following table indicates the County's General Fund the actual results for 2019 fiscal year budget, and the fiscal year 2020 and 2021 adopted budget:

**GENERAL FUND
STATEMENT OF ACTUAL and ADOPTED OPERATIONS
(BUDGETARY, NON-GAAP BASIS)**

	Actual Results FY2019	Adopted Budget FY2020	Adopted Budget FY2021
REVENUES			
Property taxes	\$ 184,860,281	\$ 196,586,104	\$ 201,872,339
Income taxes	88,732,813	91,659,331	93,000,000
Other local taxes	11,494,118	10,050,000	9,495,000
State shared taxes	1,215,713	1,292,644	1,334,134
Licenses and permits	335,646	299,400	309,400
Intergovernmental	4,384,542	4,569,211	4,449,058
Charges for services	5,362,312	4,529,632	5,167,258
Fines and forfeitures	431,112	327,650	300,650
Miscellaneous	3,142,170	2,316,769	1,281,351
Other financing sources	251,634	1,284,334	1,285,000
Total General Fund revenues	300,210,341	312,915,075	318,494,190
EXPENDITURES			
General government	18,926,804	28,957,219	30,924,958
Public safety	37,276,270	41,750,013	43,402,712
General services	14,753,890	-	-
Parks, Recreation & Museums	-	9,314,623	9,378,539
Public works	13,981,617	21,617,025	21,455,584
Economic development	742,887	960,834	980,011
Community resources	2,141,986	2,359,494	2,426,286
Education	4,658,314	4,932,717	5,278,616
Social services and health	4,499,415	2,703,458	2,703,908
Pensions/insurance/OPEB	35,268,562	26,219,493	26,735,656
Transfers	12,670,597	14,775,466	16,650,627
Debt service (1)	20,285,987	14,020,846	13,579,973
Total County government	165,206,329	167,611,188	173,516,870
Board of Education	126,367,666	139,515,013	138,649,249
College of Southern Maryland	4,646,943	5,788,874	6,328,071
Total Education	131,014,609	145,303,887	144,977,320
Total General Fund expenditures	296,220,938	312,915,075	318,494,190
Excess (deficiency) of revenues over expenditures	<u>\$ 3,989,403</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Water and Sewer and Solid Waste and Recycling debt service expenditures are shown in the respective funds. All other debt service expenditures are made from General Fund.

Source: Calvert County Department of Finance and Budget.

COVID-19 Impact

Fiscal year 2020 final results are not available as of the date of this Official Statement. However, the County anticipates a positive variance to budget for both revenues and expenditures. Income tax was trending high as compared to budget prior to the impact of COVID-19 and is still expected to have a positive effect on revenues of approximately \$2.7 million. Additionally, recordation tax revenues exceed expectations of \$1.0 million. The County expects to maintain its cash reserves for fiscal year 2020. See “Potential Impact of COVID-19 Pandemic on the County” herein.

REVENUES OF THE COUNTY

Major Sources of Revenue

The following chart displays Calvert County’s six largest revenue sources for fiscal years 2015 through 2019:

	2015	2016	2017	2018	2019
Real and personal property taxes	\$ 115,971,654	\$ 116,957,970	\$ 125,280,374	\$ 167,127,099	\$ 161,776,398
Income taxes	71,289,228	74,566,392	77,251,931	83,786,433	88,732,813
Corporate Public utility tax	22,222,104	22,261,935	23,359,465	6,968,903	23,083,883
Recordation	6,308,065	7,551,986	9,112,106	8,469,655	9,014,787
Franchise	1,404,676	1,485,691	1,654,348	1,237,894	1,599,918
Hotel	718,807	719,467	803,327	772,359	752,428
Total Taxes	<u>\$ 217,914,534</u>	<u>\$ 223,543,441</u>	<u>\$ 237,461,551</u>	<u>\$ 268,362,343</u>	<u>\$ 284,960,227</u>

Source: Calvert County Department of Finance and Budget.

As indicated in the chart above, the primary source of revenue for the County is real property tax (see “Property Tax Information” below for more detailed information regarding assessments, levies, and collections). Local income taxes are the second largest source of revenue. The Board of County Commissioners has set the local income tax rate at 3.0%, with collections administered by the State. The distribution of local tax collections to the County is made primarily on a quarterly basis.

The County has imposed excise taxes to fund school construction and repairs, solid waste facility construction and maintenance, parks and recreation improvements, and road construction and improvements. Excise taxes help to offset the costs of services provided and are assessed and collected during the permitting process.

State and Federal Financial Assistance

State of Maryland

During fiscal year 2019, the Calvert County Board of Education, an independent legal entity, received \$1,924,530 of direct operating financial assistance from the State. In addition, the County received \$2,024,465 which was applied to general operations of the County and \$5,764,429 to fund specific grant programs and capital projects.

Federal Government

During fiscal year 2019, the Calvert County Board of Education received \$8,444,236 of direct financial assistance from the federal government. The County received \$226,660 of direct financial assistance from the federal government and an additional \$2,547,405 of federal assistance to fund specific grant programs and capital projects.

Property Taxes

The assessment of all real and tangible personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation, an independent State agency.

All real property is assessed at market value (full cash value). The County real property tax rate was decreased in fiscal year 2021 from \$0.937 to \$0.932 per \$100 of assessment. All property is re-assessed once every three years and any increase in full cash value arising from such assessment is phased in over the ensuing three tax years in equal annual installments.

Under State law, certain owners who occupy residential property receive tax credits against local property taxes. The effect of the homestead property tax credit is to limit property tax increases payable as a result of increases in assessed value. State law permits a maximum increase of 10% in assessed value annually. The County granted \$15,108 of such tax credits in fiscal year 2020. The County granted \$1,505,491 in targeted tax credits in fiscal year 2020. These credits include the Commissioners Tax Credit, the Land Preservation Credit, the Historical Tax Credit, the Enterprise Zone Credit, the Barn Credit, Veteran's Exemption, Law Enforcement/Rescue Workers Credit, Volunteer Fire/Rescue Credit and the Homeowner Tax Credit.

Exemptions from State and County property taxation include: public property; property owned by religious groups or organizations for public religious worship; property owned by charitable, fraternal, benevolent, educational and literary organizations; property owned by a national organization of veterans; property owned by historical societies and museums; related business property owned by fire companies and rescue squads; operating property owned by railroad and transportation companies (exempt from State taxation only); tangible personal property of certain domestic corporations; savings institutions and commercial banks, inventory, and certain rolling stock (exempt from local taxation only); vessels, aircraft and motor vehicles; fanning implements; certain agricultural products and commodities; all personal property located at a taxpayer's place of residence other than property used in connection with any business, occupation or profession; tools of mechanics or artisans; and non-operating property of public utilities and contract carriers (exempt from State taxation only).

Property taxes are levied and due on July 1 of the tax year. The taxpayer has the option to pay in full without interest by September 30 or under the semiannual payment method if it is a primary residence. If a semiannual payment method is elected, the first payment is payable without interest by September 30 and the second payment, including a service charge, is payable without interest by December 31. Taxes not paid by their due date are subject to interest at a rate of 1% per month for each month or fraction thereof that taxes remain unpaid. Property taxes delinquent for one year as of their due date are subject to tax sale held the following June at which time all outstanding tax, interest, and costs are collected.

The following table sets forth the assessed value of all taxable property in Calvert County for fiscal years 2017 through 2019 and budgeted estimates for fiscal years 2020 and 2021. The table also indicates the County and State rates applicable in each of those years. Assessed value of tax exempt property owned by the Federal, State, and County governments, churches, schools, fraternal organizations, cemeteries, disabled and the blind, aggregating \$19.2 million for fiscal year 2018 is not included in the table below.

	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Budget 2021
Assessed Value					
Real Property					
Full-year levy	\$ 10,564,610,215	\$ 11,010,469,660	\$ 10,764,527,819	\$ 11,030,284,993	\$ 11,300,034,814
Half-year levy	56,301,899	65,360,960	52,954,570	50,000,000	50,000,000
North Beach	240,110,885	245,941,741	245,941,741	249,360,825	260,153,320
Chesapeake Beach	765,443,232	779,571,501	779,571,501	791,691,794	811,310,471
Personal Property	158,920,896	159,570,541	161,977,440	152,500,000	154,000,000
Public Utilities and Corporations	895,588,770	161,747,320	167,765,910	170,000,000	170,000,000
Total base	\$ 12,680,975,897	\$ 12,422,661,723	\$ 12,172,738,981	\$ 12,443,837,612	\$ 12,745,498,605
County Tax Rate (per \$100 of Assessed Value)					
Real Property					
Full-year levy	0.892	0.952	0.937	0.937	0.932
Half-year levy	0.446	0.476	0.469	0.469	0.466
North Beach	0.556	0.616	0.601	0.601	0.596
Chesapeake Beach	0.556	0.616	0.601	0.601	0.596
State Tax Rate (1)	0.112	0.112	0.112	0.112	0.112
Personal Property Tax Rate	2.230	2.230	2.230	2.230	2.230
Public Utilities and Corporations Tax Rate	2.230	2.230	2.230	2.230	2.230
State Business Tax Rate	0.280	0.280	0.280	0.280	0.280

(1) North Beach and Chesapeake Beach are incorporated towns. The County sets a lower county tax rate for the incorporated towns to offset the cost of services provided by the towns. The tax rate indicated reflects Calvert County's portion only.

The estimated County taxable real property assessed value for fiscal year 2020 is: Full Year Levy - \$11,030,284,993, Half Year Levy - \$50,000,000, North Beach - \$249,360,825 and Chesapeake Beach - \$791,691,794. The budgeted County taxable real property assessed value for fiscal year 2021 is: Full Year Levy - \$11,300,034,814, Half Year Levy - \$50,000,000, North Beach - \$242,153,320 and Chesapeake Beach - \$811,310,471. The County tax rate decreased in fiscal year 2021 from \$0.937 to \$0.932 in fiscal year 2021.

Ten Leading Commercial Properties or Taxpayers and Their Assessments

Name of Taxpayer	Type of Business	Fiscal Year 2020	
		Assessment	
Dominion (1)	Natural gas supplier	\$	4,000,000,000
Constellation Energy Group (2)	Power plant		1,200,000,000
Southern Maryland Electric Co.	Electric supplier		80,701,070
Asbury-Solomons	Retirement community		35,466,714
Dunkirk Gateway	Retail sales		28,682,634
Fox Run Ltd. Partnership	Retail sales		27,005,300
Market Square Shopping Center	Retail sales		26,250,600
Verizon	Phone supplier		15,621,400
Pepco	Electric supplier		11,880,910
Calvert Memorial Hospital	Medical		11,177,600
	Total	\$	5,436,786,228

Source: Maryland State Department of Assessments and Taxation.

(1) Dominion is currently under construction and due to a pilot agreement we do not receive an assessment and this is an estimate.

(2) Due to the change in Maryland property tax law in FY08 a PILOT (payment in lieu of taxes) agreement was entered into with Constellation which changed the taxable assessment. Amount reported here is estimated.

Calvert County Government Tax Levies and Collections — County Only Fiscal Years Ended June 30

Fiscal Year	Total Tax Levy	Current Taxes	Percent of Levy	Prior Taxes	Total Collected	Accumulated
		Collected During Year	Collected During Year	Collected During Year		Delinquent Taxes
2015	\$ 120,279,310	\$ 117,943,835	98.06%	\$ 2,623,225	\$ 120,567,060	\$ 3,843,252
2016	120,625,659	118,229,042	98.01%	2,338,776	120,567,818	3,901,094
2017	130,552,865	128,249,125	98.24%	2,229,240	130,478,365	3,975,594
2018	118,613,338	116,144,154	97.92%	2,177,109	118,321,263	4,267,669
2019	114,628,330	111,425,821	97.21%	3,202,509	114,628,330	4,330,220

Source: Calvert County Department of Finance and Budget

CERTAIN DEBT INFORMATION

General

The County may only issue general obligation and revenue bonds under authority conferred by the Maryland General Assembly. No referendum is required. After the issuance of the Bonds, the County will have \$116,012,007 of general obligation bond authority remaining.

Pursuant to Sections 9-601 to 9-699, inclusive, of the Environment Article of the Annotated Code of Maryland and Section 16-201 of the Code of Public Local Laws of Calvert County (collectively, the “Act”), the County may issue bonds for a water system, sewer system, solid waste disposal system or solid waste acceptance facility or any part of these to be owned, constructed or operated within a designated service area established by the County pursuant to the Act. Pursuant to the Act, the aggregate outstanding principal amount of bonds issued and outstanding under the Act may not exceed 25% of the total value of property in such service area, as assessed for County taxation. Such bonds, while constituting general obligations of the County, are payable from (a) user benefit assessments on all real property located in the applicable service area with respect to the bond financed project, (b) an ad valorem tax on all property subject to taxation within such respective service areas, and (c) if necessary, an ad valorem tax on all property subject to taxation within Calvert County, sufficient in rate and amount to pay the principal of and interest on such bonds. Bonds issued pursuant to the Act constitute \$23,095,090 of the County’s direct general obligation debt and are referred to hereinafter as “Enterprise Fund Debt.”

Statement of Direct and Underlying Debt (1)
As of June 30, 2020 (unaudited)
(Including the Bonds)

Direct Debt Outstanding:

Maryland Department of the Environment (Kenwood Beach Water Supply) (2)	\$ 154,854
Maryland Water Quality Bond 2001 (Dares Beach Sewer) (2)	30,182
Maryland Water Quality Bond 2001 (Prince Frederick Sewer) (2)	717,708
Maryland Water Quality Bond 2008 (Patuxent Business Park Lusby) (2)	90,380
Maryland Water Quality Bond 2008 (Chesapeake Beach Waste Water) (2)	445,422
Maryland Water Quality Bond 2014 (Chesapeake Beach Waste Water) (2)	1,545,972
Maryland Water Quality Bond 2016 (East PF Elevated Storage Tank) (2)	2,090,539
Agricultural Land Preservation (3)	4,222,910
Consolidated Public Improvement Project Bonds 2010 Series	7,855,000
Consolidated Public Improvement Project Bonds 2011 Series	9,770,000
Consolidated Public Improvement Project Bonds 2012 Series	5,005,000
Refunding Bonds 2012 Series	730,000
Consolidated Public Improvement Project Bonds 2013 Series	4,299,685
Refunding Bonds 2013 Series	4,880,316
Consolidated Public Improvement Project Bonds 2014 Series	6,470,000
Consolidated Public Improvement Project Bonds 2016 Series	26,274,507
Refunding Bonds 2016 Series	11,195,000
Consolidated Public Improvement Project Bonds 2017 Series	21,675,493
Consolidated Public Improvement Project Bonds 2018 Series	24,150,000
Consolidated Public Improvement Project Bonds 2019 Series	19,690,000
Consolidated Public Improvement and Refunding Bonds, 2020 Series (Tax-Exempt)	22,155,000
Refunding Bonds, 2020 Series (Taxable)	17,700,000
Less: Refunded Bonds	<u>(24,390,000)</u>
Total Direct Debt Outstanding	\$ 166,757,968

(1) This table includes enterprise fund debt. It does not include three shore erosion loans and four General Fund loans to Water and Sewer, none of which impose a requirement on the County to levy taxes for their repayment. This amounts to \$6,174,961.

(2) The debt service on these bonds will be paid by the users of these systems.

(3) Payment of the principal under each installment purchase agreement is payable from U.S. Treasury zero-coupon securities purchased by the County at the time the agreement was executed.

The following tables set forth the percentage of total and net general fund debt service to total and net General Fund revenues, respectively, and the related percentage for each of the County's five most recent audited fiscal years.

Fiscal Year	Percentage of Total	
	Total General Fund Debt Service (1)	Total General Fund Revenues
2015	\$17,295,573	\$231,848,269
2016	17,079,679	235,875,151
2017	17,109,701	250,421,405
2018	17,741,960	262,914,543
2019	20,285,987	280,107,521

Fiscal Year	Percentage of Net General Fund Debt Service to Net General Fund Revenues	
	Net General Fund Debt Service (2)	Net General Fund Revenues (3)
2015	\$17,277,835	\$231,821,575
2016	17,061,941	235,851,890
2017	17,091,963	250,394,711
2018	17,724,222	250,394,711
2019	20,281,302	280,102,836

(1) Includes debt funded by sources other than general fund tax revenues, i.e., shore erosion and waterway bonds.

(2) Excludes the debt listed in footnote (1) above.

(3) Excludes revenues dedicated to the payment of the debt shown in footnote (1).

Source: Calvert County Department and Finance and Budget.

The table below shows trends for Calvert County over the five most recent audited fiscal years for the ratios of net direct debt to estimated market value, net direct debt per capita and estimated market value per capita based on audited financial statements.

**Ratio of Net Direct Debt to Market Value
and
Net Direct Debt Per Capita and Market Value Per Capita
(Excludes the Bonds to be Issued)**

Fiscal Year	Estimated Population (1)	Market Value	Net Direct Debt (2)	Net Direct Debt to Estimated Market Value	Net Direct Debt Per Capita	Estimated Market Value Per Capita
2015	90,595	\$11,395,463,534	\$123,710,065	1.09%	\$1,366	\$125,785
2016	91,251	11,405,126,893	109,384,738	0.96%	1,199	124,986
2017	91,620	11,626,466,231	127,848,719	1.10%	1,395	126,899
2018	91,940	12,101,343,862	139,350,248	1.15%	1,516	131,622
2019	92,680	11,842,995,731	171,584,558	1.45%	1,851	127,784

(1) Source: Calvert County Department of Planning and Zoning.

(2) Net of enterprise fund debt and other debt not supported by General Fund revenues as listed above.

**Rapidity of Bond Principal Repayment
(Excludes the Bonds to be Issued)**

<u>Number of Years</u>	<u>Principal Retired (Cumulative)</u>	<u>Percent of Principal Retired (Cumulative)</u>
5	\$68,569,055	48.32%
10	109,604,265	77.24%
15	137,915,949	97.19%
20	141,907,311	100%

Public School Construction Financing

Section 5-301 of the Education Article of the Annotated Code of Maryland provides that, effective July 1, 1971, the State shall pay the costs in excess of available federal funds of all public school construction projects and public school capital improvements if the projects or improvements are approved by the Board of Public Works of the State (the “Board of Public Works”). The cost of acquiring land is not a construction cost which will be paid by the State.

The Board of Public Works has defined by regulation what constitutes an approved construction or capital improvement cost. The “Rules, Regulations and Procedures for the Administration of the School Construction Program were replaced by regulation as required by the Public School Facilities Act of 2004. The Regulations for the Administration of the Public School Construction Program (COMAR 23.03.02)” became effective May 21, 2007 with amendments on November 2, 2009, November 14, 2011, February 5, 2014 and May 14, 2014. The Interagency Committee on School Construction was established by the Board of Public Works in 1971 to administer the State of Maryland’s Public School Construction Program. Capital expenditures eligible for State payment under the regulations are limited to: (1) the cost, with qualifications, of site development when associated with a school construction or renovation project; (2) construction costs of new schools that can be justified because of growth or population shifts; (3) construction costs of additions to existing school buildings, such as classrooms, media centers, and art and music facilities; (4) construction costs for new buildings or parts thereof to increase capacity or to replace existing obsolete schools or parts thereof; (5) construction costs of modernization of schools in use for more than 15 years; (6) the cost, below a ceiling, of change orders to approved contracts; (7) the cost of “initial built-in equipment”; (8) the cost of installation of State-owned modular relocatable classroom buildings; (9) the cost of relocating on site utilities to eliminate interference with building construction; (10) the costs of expanding existing on-site sewer and water systems to accommodate additional student capacity; (11) the cost of systematic renovations within a building; (12) subject to certain State approvals, the cost of restoration of a public school building or site damage as a result of a natural disaster; (13) projects that have been forward funded by a local board of education; (14) projects funded through an annual appropriation for the Aging School Program, which are exempt from the State-local cost share formula under the regulations; (15) Aging School Program projects funded with proceeds from the sale of Qualified Zone Academy Bonds, which are exempt from the State-local cost share formula under the regulations; (16) Supplemental Funding for Technology in Maryland Schools Program projects with short term borrowing and the funds repaid from the Cigarette Restitution Fund, which are exempt from the State-local cost share formula under the regulation; (17) off-site development costs required by local, State and/or Federal agencies within the limit of the allocation; (18) projects to improve the energy efficiency of schools; (19) safety and security initiatives in Maryland’s public schools through capital investments; (20) air conditioning in schools that lacked central air conditioning in spaces used for educational purposes; and (21) emergency shelter provision projects must consult with Maryland Emergency Management Agency (MEMA) to determine whether the facility should serve as a shelter in the event of a national, state, or local emergency event.

Agricultural Land Preservation Program

The County is authorized to acquire transfer development rights in agricultural property by entering into general obligation installment purchase agreements with property owners for an aggregate purchase price of up to \$17,800,000. Under each agreement, the County pays semiannual interest for periods between 10 and 20 years and pays the purchase price at maturity. At the time each agreement is entered into, the County purchases U.S. Treasury zero-coupon securities which have a face amount at maturity equal to the purchase price payable under the agreement at maturity. As of June 30, 2020, the County had entered into agreements for an aggregate purchase price of \$4,222,910.

Schedule of Principal and Interest Payments of Bonded Indebtedness

The following tables set forth the principal and interest payment schedules for the County's direct and contingent general obligation bonded indebtedness projected as of June 30, 2020:

Calvert County Debt Service Schedule (1)

Fiscal Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Debt Service</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 14,358,447	\$ 4,969,911	\$ 1,646,252	\$ 618,809	\$ 16,004,699	\$ 5,588,720	\$ 21,593,419
2022	14,192,994	4,311,190	1,645,252	568,156	15,838,246	4,879,346	20,717,592
2023	12,190,587	3,678,777	1,249,570	500,936	13,440,157	4,179,713	17,619,870
2024	10,627,651	3,185,480	1,270,993	462,190	11,898,644	3,647,670	15,546,314
2025	9,434,431	2,740,850	1,280,706	420,068	10,715,137	3,160,918	13,876,055
2026	9,775,372	2,321,586	1,268,985	377,433	11,044,357	2,699,019	13,743,376
2027	7,618,402	1,904,622	979,368	338,571	8,597,770	2,243,193	10,840,963
2028	7,521,780	1,563,525	990,738	309,132	8,512,518	1,872,657	10,385,175
2029	7,366,312	1,263,821	959,096	279,211	8,325,408	1,543,032	9,868,440
2030	7,152,108	987,632	971,285	253,758	8,123,393	1,241,390	9,364,783
2031	7,402,730	735,187	1,003,700	228,410	8,406,430	963,597	9,370,027
2032	7,643,004	500,261	1,016,516	202,752	8,659,520	703,013	9,362,533
2033	5,446,148	293,017	936,601	176,696	6,382,749	469,713	6,852,462
2034	3,720,000	136,363	854,627	152,440	4,574,627	288,803	4,863,430
2035	1,770,000	3,540	861,988	129,347	2,631,988	132,887	2,764,875
2036	-	-	884,374	105,711	884,374	105,711	990,085
2037	-	-	555,000	69,427	555,000	69,427	624,427
2038	-	-	450,000	51,200	450,000	51,200	501,200
2039	-	-	395,000	46,488	395,000	46,488	441,488
2040	-	-	215,000	23,306	215,000	23,306	238,306
2041	-	-	220,000	16,569	220,000	16,569	236,569
2042	-	-	220,000	9,681	220,000	9,681	229,681
2043	-	-	130,000	4,131	130,000	4,131	134,131
2044	-	-	60,000	1,012	60,000	1,012	61,012
2045+	-	-	-	-	-	-	-
Total	<u>\$ 126,219,966</u>	<u>\$ 28,595,762</u>	<u>\$ 20,065,051</u>	<u>\$ 5,345,434</u>	<u>\$ 146,285,017</u>	<u>\$ 33,941,196</u>	<u>\$ 180,226,213</u>

(1) Source: Calvert County Department of Finance and Budget

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Total Debt Service
As Adjusted for the Issuance of the Bonds

Fiscal Year as of June 30	Total Debt Service(1)	LESS: Refunded Bonds Debt Service(1)	Consolidated Public Improvement and Refunding Bonds, Series 2020 (Tax-Exempt)				Refunding Bonds, 2020 Series (Taxable)		Adjusted Total Debt Service(1)
			Principal	Interest(2)	Principal	Interest(3)	Principal	Interest(3)	
2021	\$21,593,419	\$399,304	\$0	\$112,100	\$60,000	\$173,861			\$21,540,077
2022	20,717,592	3,494,821	1,910,000	682,444	1,605,000	354,425			21,774,640
2023	17,619,870	4,497,113	1,990,000	604,444	2,640,000	322,325			18,679,526
2024	15,546,314	4,443,370	2,070,000	523,244	2,630,000	269,525			16,595,712
2025	13,876,055	4,382,079	2,160,000	438,644	2,620,000	216,925			14,929,545
2026	13,743,376	4,306,614	2,245,000	350,544	2,595,000	164,525			14,791,831
2027	10,840,963	1,401,741	935,000	286,944	1,190,000	112,625			11,963,791
2028	10,385,175	964,673	970,000	248,844	780,000	88,825			11,508,171
2029	9,868,440	959,604	1,010,000	209,244	790,000	73,225			10,991,305
2030	9,364,783	463,935	1,055,000	167,944	315,000	57,425			10,496,217
2031	9,370,027	462,366	1,090,000	130,494	310,000	51,125			10,489,280
2032	9,362,533	455,498	1,110,000	106,513	315,000	44,925			10,483,473
2033	6,852,462	447,748	1,130,000	90,406	315,000	38,625			7,978,746
2034	4,863,430	439,835	1,150,000	72,588	310,000	32,325			5,988,508
2035	2,764,875	431,360	1,165,000	53,050	310,000	26,125			3,887,690
2036	990,085	427,590	1,185,000	31,747	310,000	19,770			2,109,012
2037	624,427	323,440	90,000	19,738	270,000	13,260			693,985
2038	501,200	198,300	90,000	17,938	165,000	7,455			583,293
2039	441,488	201,825	95,000	16,088	170,000	3,825			524,576
2040	238,306	0	95,000	14,188	0	0			347,494
2041	236,569	0	95,000	12,288	0	0			343,857
2042	229,681	0	100,000	10,275	0	0			339,956
2043	134,131	0	100,000	8,150	0	0			242,281
2044	61,012	0	105,000	5,906	0	0			171,918
2045	0	0	105,000	3,544	0	0			108,544
2046	0	0	105,000	1,181	0	0			106,181
Total	\$180,226,213	\$28,701,215	\$22,155,000	\$4,218,485	\$17,700,000	\$2,071,121			\$197,669,604

(1) Totals may not add due to rounding.

(2) Interest rates range from 1.375% to 4.000%.

(3) Interest rates range from 2.000% to 2.250%.

Pay-As-You-Go Financing

For years, the County has utilized a plan of “pay-as-you-go” financing. Under this financing program, the County finances the construction of certain capital projects by appropriation of revenues from the current funds of the County. In financing by this program, the County sought to reduce the aggregate amount of general obligation indebtedness issued that would otherwise bear interest to finance the construction of the capital projects. The following table sets forth the County’s pay-as-you-go financing expenditures for the five most recent audited fiscal years ended June 30:

PAY-AS-YOU-GO	
2015	\$1,537,667
2016	2,271,900
2017	2,612,200
2018	8,549,134
2019	8,556,651

Source: Calvert County Department of Finance and Budget

Future Plans to Issue Debt

The County's capital improvement plan is an ongoing process which requires periodic issuance of the County's general obligation bonds to fund portions of such a program.

The following chart shows the approved fiscal year 2021 Capital Projects Budget with projections for fiscal years 2022 through 2026 (shown in thousands of dollars).

	Fiscal Year					
	2021	2022	2023	2024	2025	2026
Project Category						
Education	\$ 11,270,150	\$ 31,716,125	\$ 10,126,500	\$ 2,268,500	\$ 9,845,000	\$ 15,360,200
Public facilities	1,034,228	4,151,310	11,233,300	16,376,000	13,629,000	8,361,000
Communications & media relations	180,000	180,000	180,000	180,000	180,000	180,000
Technology services	2,700,000	2,400,000	1,880,000	1,835,000	1,280,000	1,210,000
Town centers	150,000	-	-	-	-	-
Recreation & natural resources	6,381,443	3,052,000	2,600,000	4,196,000	3,120,000	7,665,000
Public works/transportation	5,114,703	7,138,703	7,297,174	6,118,703	3,153,703	3,095,000
Public safety	3,851,000	5,317,000	6,295,000	7,809,000	13,332,000	13,477,000
Public works/utilities	8,876,500	23,880,855	10,863,500	8,673,500	14,905,054	12,280,447
Total Expenditures	\$ 39,558,024	\$ 77,835,993	\$ 50,475,474	\$ 47,456,703	\$ 59,444,757	\$ 61,628,647
Sources of Funding						
County funding (pay-go)	\$ 10,818,928	\$ 9,483,125	\$ 8,398,521	\$ 10,211,700	\$ 8,528,800	\$ 9,311,700
GO Bond funding - General Fund	8,933,750	21,399,760	21,954,250	22,617,000	25,150,000	25,150,000
GO Bond funding - Enterprise Fund	6,254,000	15,150,000	6,287,500	4,047,500	7,021,679	4,597,072
State grants/loans/other funding	9,079,943	26,713,250	10,860,700	8,011,000	15,111,275	19,311,375
Excise tax	2,848,903	3,909,003	2,624,503	2,169,503	3,083,003	2,908,500
Utility feesc/capital connections	1,622,500	1,180,855	350,000	400,000	550,000	350,000
Total Revenues	\$ 39,558,024	\$ 77,835,993	\$ 50,475,474	\$ 47,456,703	\$ 59,444,757	\$ 61,628,647

Source: Calvert County Department of Finance and Budget

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CERTAIN SERVICES AND RESPONSIBILITIES

Planning and Zoning

Calvert County maintains an effective comprehensive planning program. The planning process is under the direction of the Planning Commission, which prepares and approves the Calvert County Comprehensive Plan and the Town Center Master Plans. The Planning Commission reviews subdivisions and site plans for compliance with state and local regulations. As per State law, the Board of County Commissioners adopts plans and develops zoning regulations and building codes. The Board maintains special programs, such as land preservation and historic preservation.

The current Calvert County Comprehensive Plan, adopted in 2004 and amended in 2010 and 2017, is the official policy document for the County. The Plan calls for managing the amount, location, and rate of residential growth: preserving the rural character of the County, developing Town Centers as attractive places to live, work, and shop, and diverting residential, commercial, and industrial uses to appropriate locations. The Board of County Commissioners, Planning Commission, and county departments use the Plan as a guide when evaluating proposed projects or changes to the Zoning Ordinance. The State uses the Plan to determine whether or not to provide state funding for a local project. The goal of the Comprehensive Plan is to maintain and/or improve the overall quality of life for all citizens of Calvert County by promoting sustainable development, encouraging a stable and enduring economic base, providing for safety, health, and education, and preserving the natural, cultural, and historic assets of Calvert County. The Planning Commission is preparing an updated Calvert County Comprehensive Plan that looks out to the year 2040.

The County has developed master plans and zoning regulations for each of the seven Town Centers under County control. The Town Center master plans are long-range plans intended to guide the development of these County-designated growth areas. The master plans include recommendations on a variety of topics, including land use, transportation, and community facilities, such as recreation.

Utilities

Electricity

The Southern Maryland Electric Cooperative, Inc. (“SMECO”) is owned by its customers and supplies electricity to Charles and St. Mary’s Counties and portions of Calvert and Prince George’s Counties. SMECO does not generate electricity but purchases it at the best rate from several electric suppliers.

Baltimore Gas and Electric Company also supplies electricity to the northeastern portion of Calvert County.

Calvert Cliffs Nuclear Power Plant is owned by Exelon based in Chicago, Illinois. Calvert Cliffs provides approximately 1,750 megawatts of electricity in the State of Maryland, serving approximately one million customers. While not the local energy provider, the facility has significant economic impact. Calvert Cliffs began operations in 1975 and was the first nuclear plant in the United States to achieve relicensing for both reactors. The majority of Calvert Cliffs’ approximately 800 employees live in the region. During refueling outages, the station employs several hundred additional contractors who boost the local economy during their stay. In fiscal year 2020, Calvert Cliffs paid approximately \$19.7 million in annual taxes to the County.

Gas

Washington Gas Light Company owns the franchise to provide natural gas residential and commercial services to Calvert County. Natural gas service began in Prince Frederick in 1991.

Cove Point Liquefied Natural Gas import/export plant (“Cove Point LNG”) is owned by Dominion Energy based in Richmond, Virginia. Cove Point LNG provides gas storage and pipeline service to customers through an 87-mile pipeline running to Loudoun County, Virginia. To meet the demands of the growing markets in the Mid-Atlantic and Northeastern regions of the United States, the company expanded the existing facility to increase storage and output capacity. This expansion more than doubled their prior value to \$671 million taxable assessment for fiscal year 2011.

Dominion received approval from the federal government to allow it to export liquefied natural gas (LNG). The facility expanded operations and was placed into service in 2018, with an estimated investment of \$3.8 billion. Once placed in service, Dominion Energy became the county’s single largest taxpayer.

The County entered into a PILOT (payment in-lieu of taxes) and tax credits agreement with Dominion in November 2013. The terms of the PILOT agreement include a one-time payment in fiscal year 2018 of \$25.0 million, which the County received in January 2018. Upon completion of the five-year PILOT, Dominion Cove Point will receive a 42 percent tax credit on real and personal property taxes for nine years. At the end of the tax relief period, the facility becomes taxable at 100 percent of its value.

Cove Point's natural gas pipeline is connected to Dominion Transmission's interstate pipeline, as well as to other interstate pipelines that have access to the growing natural gas supplies in the region. Using Dominion Cove Point as an export facility would provide producers access to new international markets.

Water and Sewer

Groundwater is Calvert County's primary water source and is readily obtainable in sufficient quantities to supply current residential and commercial needs. Recent aquifer studies indicate sufficient supply to meet projected needs beyond the year 2025.

Groundwater usage is confined primarily to residential, commercial units, and the industrial demands of the Calvert Cliffs Nuclear Power Plant and the Cove Point LNG.

Nineteen municipal water systems are owned and operated by Calvert County. One municipal water system is owned and operated by the Town of North Beach. One is owned and operated by the Town of Chesapeake Beach. Four municipal wastewater treatment plants (WWTP) are owned by Calvert County, and one municipal wastewater treatment plant is jointly owned by Calvert County, the Towns of Chesapeake Beach and North Beach, and Anne Arundel County.

The Department of Public Works, Water and Sewer Division is responsible for the planning, design, construction and maintenance of County-owned water and sewerage systems.

The County is authorized and directed at any time to set rates and fees as deemed necessary to insure that the water and sewer systems operate within the respective revenues. The County reviews the rates annually and adjusts rates as needed.

The County contractually operates one water system and wastewater treatment facility for a private community, as well as one high school wastewater treatment plant for the Board of Education. The Sanitary Districts are under the jurisdiction and control of the Board of County Commissioners.

The location of new community and sewerage systems and the extension of existing systems are done in accordance with the County Comprehensive Water and Sewer Plan which is consistent with the County Comprehensive Plan. Those properties that are not served by the Sanitary District water and sewerage systems are served by individual or private systems.

The County, by ordinance or resolution, may make a charge for each water and sewer connection. The funds derived from these charges may be used for payment of principal and interest on bonds, accumulating funds for capital improvements, and for the purchase of equipment for the systems. The County re-evaluated the fee structure for these connections in 2009.

For the purpose of providing funds to maintain and operate its water supply and sewerage systems, and for the payment of bonded indebtedness, the County may assess charges which shall consist of either a base charge for service and a variable charge based on water consumption, a minimum, or ready-to-service charge. These charges are due quarterly when presented and after 40 days from that date bear interest at a rate of 8% per annum. The rates effective January 1, 2021 are as follows:

Base plus Variable Rates	Jan-Dec 21 FY 2021/22
Base water rate charged per EDU	\$59.34
Variable water rate charged per 1,000 gallons	2.92
Base sewer rate charged per EDU	119.03
Variable sewer rate charged per 1,000 gallons	6.32

For the purpose of providing funds to finance the design, engineering, construction and extension of a water supply or sewerage system, the County is authorized to borrow money through the issuance and sale upon the full faith and credit of the County of its general obligation bonds. See "CERTAIN DEBT INFORMATION – General."

At present, the majority of Calvert County residents use on-site sewerage disposal systems. Provision of public sewage treatment facilities is confined to the following high density development zones and special zones:

Sewage Treatment Systems	Design Flow Capacity (MGD)	FY2020 Actual Flow (MGD)
Prince Frederick WWTP I	0.045	0.266
Prince Frederick WWTP II	0.3	0.16
Northern High WWTP	0.025	0.005
Solomons WWTP	0.7	0.375
Marley Run WWTP	0.04	0.024

Solid Waste and Recycling Enterprise Fund

In fiscal year 1992, the Solid Waste and Recycling Fund was established as a self-supporting enterprise fund. The current fees, approved by the Board of County Commissioners are as follows:

1. A landfill excise tax for all new residential and commercial construction, which is \$350 for residential construction or \$0.11 per sq. ft. for commercial construction.
2. Effective July 1, 2020, a tip fee of \$74.93 per ton for residential users and \$83.25 per ton for commercial users; and
3. A solid waste fee of \$145 per household.

The County opened its landfill site in March 1993. The site consists of 10 acres lined and in use. Another 20 acres are available to be permitted. The landfill was designed with state-of-the-art environmental safeguards and was constructed using the latest in landfill technology. On July 1, 1997, the County contracted with Waste Management, Inc. to operate a waste transfer facility. This agreement is for a 20-year term with one 5-year renewal. The majority of the County's waste is transferred out-of-state for disposal with only a minimal amount of trash deposited in the landfill to keep the permit active. This arrangement has saved valuable landfill space and has extended the life of the landfill by at least 20 years. This agreement, combined with the life expectancy of the landfill, has addressed the County's solid waste needs until 2042.

Law Enforcement, Fire Protection and Ambulance Service

Police protection is provided by the County Sheriff's Office and the Maryland State Police. The municipalities of North Beach and Chesapeake Beach provide police protection within their jurisdictions by contracting with the Sheriff's Office. A contractual security service agreement also exists with Dominion Cove Point LNG, LP. Currently, there are 40 State police and 130 deputies. The expenses for the Sheriff's Department for fiscal year 2019 were \$16,370,008. The appropriated budgets for fiscal year 2020 and 2021 are \$16,538,184 and \$15,837,401, respectively.

Currently, five combination fire-rescue-EMS stations, one fire station, one rescue station, one fire-rescue-EMS annex, one advanced life support unit, and one rescue dive team are located in Calvert County and is 95% supported by our volunteers. In fiscal year 2020, the county started utilizing career EMS staffed positions. Their equipment includes 14 ambulances, 40 pieces of fire apparatus, 25 chief/command/utility vehicles, seven medic units, two air cascade trailers, one dive rescue unit, three rescue boats, and six zodiac boats. The expenses for the fire-rescue-EMS service in fiscal year 2019 were \$4,690,993. The appropriated budgets for fiscal year 2020 and 2021 are \$5,282,671 and \$5,164,351, respectively. The career EMS budgets for fiscal year 2020 and 2021 are \$1,411,494 and \$1,848,960, respectively.

In calendar year 1992, the County expanded its Detention Center. This expansion created total bed capacity of 172. Since that time, due to demand, by adjusting accommodations, the capacity of the facility increased to 272 of which approximately 91% on average stay in constant use. In 1992, the Calvert County Treatment Facility was also constructed. In 2011, the Calvert County Treatment Facility was renovated for the expansion of the detention center and work release operations. The renovated area added approximately 80 work release beds.

Roads

Calvert County has approximately 691 miles of improved road facilities of which approximately 470 miles are County-owned and maintained. The State owns and maintains approximately 125 miles of roads and the towns of North Beach and Chesapeake Beach collectively own and maintain approximately 25 miles of roads. In addition, there are private roads (improved and unimproved/maintained and unmaintained) within in the County. The County's portion of the road system is served by a maintenance division of 33 full-time employees and the necessary related maintenance equipment. The County maintenance unit is supplemented by private contractor's services as the seasonal needs arise. The County-owned road system is expanded at an average rate of 0.5-1% per year due to the additions of commercial and residential developments within the County's boundaries. No unimproved roadways are accepted into the current roadway system.

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SELECTED DEMOGRAPHIC AND ECONOMIC FACTORS

Population

The population of Calvert County has increased 633% over the last 60 years as set forth below.

2010	88,737
2000	74,563
1990	51,372
1980	34,638
1970	20,682
1960	15,826
1950	12,100

Source: U.S. Department of Commerce, U.S. Census Bureau.

The following table sets forth the population of Calvert County in its two incorporated municipalities for the years 1980, 1990, 2000 and 2010.

<u>Municipality</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>
Chesapeake Beach.....	1,408	2,403	3,180	9,919
North Beach	1,504	1,179	1,880	4,345

Source: U.S. Department of Commerce, U.S. Census Bureau, Official Population Count, 1980, 1990, 2000 and 2010.

The following table sets forth the most recently published age and sex distribution estimates for Calvert County for the Census years 1990, 2000 and 2010.

<u>Age</u>	<u>1990</u>				<u>2000</u>				<u>2010</u>			
	<u>Male</u>	<u>%</u>	<u>Female</u>	<u>%</u>	<u>Male</u>	<u>%</u>	<u>Female</u>	<u>%</u>	<u>Male</u>	<u>%</u>	<u>Female</u>	<u>%</u>
0-4.....	2,086	8.2	1,980	7.6	2,528	6.9	2,549	6.7	2,594	5.9	2,394	5.3
5-19.....	6,098	23.9	5,756	22.2	9,707	26.4	9,016	23.9	10,494	24.0	10,045	22.3
20-44.....	10,436	40.9	10,880	42.0	12,850	35.0	13,809	36.5	12,790	29.3	13,384	29.7
45-64.....	4,959	19.4	4,595	17.7	8,910	24.2	8,567	22.7	13,533	31.0	13,820	30.7
65+.....	1,908	7.6	2,675	10.5	2,772	7.5	3,855	10.2	4,302	9.8	5,381	12.0
Total.....	<u>25,487</u>	<u>100.0%</u>	<u>25,885</u>	<u>100.0%</u>	<u>36,767</u>	<u>100.0%</u>	<u>37,796</u>	<u>100.0%</u>	<u>43,713</u>	<u>100.0%</u>	<u>45,024</u>	<u>100.0%</u>

Source: U.S. Department of Commerce, U.S. Census Bureau, Official Population Count 1990, 2000 and 2010.

The average Calvert County household size was 2.85 persons in the 2010 Census, 2.91 persons in the 2000 Census, 3.01 persons in the 1990 Census and 3.19 persons in the 1980 Census.

Business, Employment and Labor

In the following table, annual average statistics are provided relating to the distribution of employment by employer classification by place of work for calendar years 2014 - 2018.

Calvert County Employment by Place of Work

<u>Classification</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contract Construction	1,842	2,746	4,078	4,142	2,209
Finance, insurance, real estate.....	604	590	568	607	609
Transportation, communications and utilities (excluding railroads).....	4,642	4,660	4,754	4,723	5,069
Manufacturing.....	578	559	575	528	536
Service and other.....	9,903	9,813	9,993	9,988	9,782
Local and State Government.....	4,094	4,094	4,045	4,151	4,515
Federal Government.....	<u>133</u>	<u>117</u>	<u>132</u>	<u>134</u>	<u>146</u>
Total	<u>21,796</u>	<u>22,579</u>	<u>24,145</u>	<u>24,273</u>	<u>22,866</u>

Source: Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information, "Employment and Payrolls".
Annual averages for years 2014 - 2018.

Listed below are the ten largest employers located in Calvert County:

Ten Largest Employers

<u>Employer</u>	<u>Principal Products or Activity</u>	<u>Dec. 2018 Employment</u>	<u>Dec. 2019 Employment</u>
Calvert County Board of Education(1).....	Public Education	2,147	2,156
Calvert County Government.....	Government	1,270	1,222
CalvertHealth Medical Center	Medical Services	1,224	1,144
Exelon/Calvert Cliffs Nuclear Power Plant	Nuclear Power Generation	822	720
Arc of Southern Maryland	Medical and Social Services	381	370
Calvert County Health Department	Government	375	216
Dominion Cove Point LNG	Liquefied National Gas	340	210
College of Southern Maryland-Prince Frederick	Higher Education	240	204
Rod N Reel	Hotel, Spa Restaurants	239	202
Direct Mail.com.....	Printing & Fulfilment Services	205	185

Source: Calvert County Department of Economic Development.

(1) FTE – Full-Time Equivalent positions.

Unemployment

The following table indicates the Calvert County's annual unemployment rate as compared with the other counties of the Maryland portion of the Washington MSA, the State and the United States for the calendar years for the five most recent calendar years for which information is available.

Annual Unemployment Rate by County

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Anne Arundel	4.4%	3.8%	3.6%	3.3%	3.1%
Calvert County	4.6	3.9	3.7	3.6	3.2
Carroll County	4.2	3.6	3.5	3.2	2.9
Charles County	5.0	4.3	4.1	3.9	3.6
Frederick County.....	4.5	3.9	3.7	3.5	3.2
Montgomery County.....	3.9	3.5	3.4	3.2	2.9
St. Mary's County	4.8	4.3	4.1	3.8	3.3

Source: Maryland Department of Labor, Licensing, and Regulation, Division of Workforce Development and Adult Learning, Office of Workforce and Performance, "Local Area Unemployment Statistics (LAUS)", Annual Averages for years 2015-2019.

Income

Personal income growth in Calvert County, the State and the United States from 2014 to 2018 is shown below.

Calvert County, State of Maryland, and United States Average Per-Capita Personal Income

<u>Calendar Year</u>	<u>Calvert County</u>	<u>Percent Change from Previous Year</u>	<u>State of Maryland</u>	<u>Percent Change from Previous Year</u>	<u>United States</u>	<u>Percent Change from Previous Year</u>
2014.....	\$54,467	3.3%	\$54,687	3.6%	\$47,058	5.8%
2015.....	56,868	4.4	57,139	4.5	48,978	4.1
2016.....	58,312	2.5	59,029	3.3	49,870	1.8
2017.....	59,974	2.8	60,354	2.2	51,885	4.0
2018.....	62,591	4.3	63,354	4.9	54,446	4.9

Source: U.S. Bureau of Economic Analysis, November 14, 2019 – Table CAINC1, revised statistics 1969-2018.

Calvert County and the State of Maryland Total Personal Income (\$000's)

<u>Calendar Year</u>	<u>Personal Income (\$000's)</u>		<u>Percent Change from Previous Year</u>	
	<u>Calvert County</u>	<u>State of Maryland</u>	<u>Calvert County</u>	<u>State of Maryland</u>
2014.....	\$4,931,675	\$325,835,823	3.4%	4.0%
2015.....	5,144,726	342,074,347	3.7	4.9
2016.....	5,308,041	354,450,645	3.1	3.6
2017.....	5,497,547	364,575,802	3.6	2.9
2018.....	5,758,531	382,828,860	4.7	5.00

Source: U.S. Bureau of Economic Analysis, November 14, 2019 – Table CAINC1, revised statistics 1969-2018.

Commuting Patterns

The Census Bureau 2018 American Community Survey determined the work commuting patterns for workers 16 years and older for the labor forces of each of Maryland's counties with populations of 65,000 or more and the City of Baltimore. Comparative figures for workers commuting outside the county of residence for the subdivisions in the Maryland portion of the Washington Metropolitan Statistical Area (MSA) are presented below:

Calvert County	44.0%
Frederick County	31.8
Charles County	28.9
Prince George's County.....	19.5
Montgomery County.....	10.9

Source: U.S. Census Bureau, 2014-2018 American Community Survey, Table S0801.

Education

Survey results of the number of high school students in the Maryland portion of the Washington MSA and the State as a whole who graduated in 2019, as a percentage of their ninth grade enrollment four grades earlier, are presented below:

Calvert County	94.1 %
Charles County	94.6
Frederick County	91.9
Montgomery County	88.6
Prince George's County	78.5
State of Maryland	86.6

Source: Maryland Report Card 2019 – 4 Year Adjusted Cohort - Performance Report State and School Systems- Maryland State Department of Education.

The following table sets forth the years of school completed by persons 25 years of age or older as a percentage of the population described in the Census for Calvert County and the other counties in the Maryland portion of the Washington MSA and the State.

	Calvert	Charles	Frederick	Montgomery	Prince George's	State
Elementary (grades K-8)	1.5%	2.2%	3.1%	5.0%	7.9%	3.7%
High School						
1–3 years.....	4.6	4.7	4.5	3.7	6.5	5.8
4 years.....	30.3	31.4	24.3	13.3	25.7	24.2
College						
No degree.....	23.7	24.3	19.2	13.6	22.2	18.7
Associate degree	8.7	8.5	8.3	5.4	6.1	6.8
Bachelor's degree	17.7	17.3	23.16	27.1	18.6	21.9
Graduate/Professional degree..	13.5	11.6	17.5	31.9	14.1	18.9

Source: Table S1501 - Educational Attainment. U.S. Bureau of the Census, 2014-2018 American Community Survey, American Fact Finder.

Economy

Over the past several decades, Calvert County has transitioned from an agricultural community into a mixed community with both suburban and rural characteristics. This is primarily due to the County's strategic geographic proximity to Washington, D.C., Baltimore, Annapolis and the Patuxent River Naval Air Station.

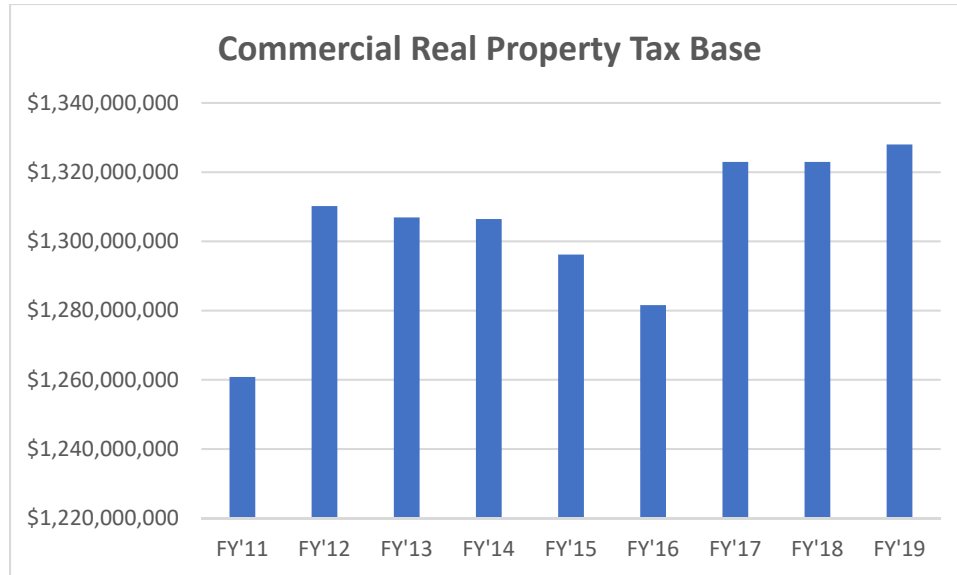
Calvert County's economy remains stable when compared to other jurisdictions in Maryland and the nation. Several factors have contributed to the economic stability including: 1) a strong and positive local business climate; 2) job market stability; 3) proximity to major employment centers in Washington, D.C. and Virginia; 4) an enhanced focus on business retention and expansion efforts that have served to strengthen and encourage development of the County's existing industries and provided strong support during a national economic downturn; 5) an enhanced focus on economic development activities; and 6) a strong median household income. The following table reflects jobs located in the County regardless of place of residence.

Year	Total Private Sector Jobs	Financial	Prof/Bus Services	Other Services	Target Market
2014....	17,569	604	2,136	726	3,466
2015....	18,368	590	1,988	758	3,336
2016....	19,968	568	2,081	815	3,464
2017....	19,987	607	2,019	809	4,723
2018....	18,212	609	1,833	851	5,069

Source: Maryland Department of Labor, Licensing and Regulation, Division of Workforce Development and Adult Learning. Office of Workforce Information and Performance 2014-2018.

Commercial Tax Base

The commercial tax base, excluding public utilities, has increased by \$67.2 million or 5.3% between fiscal year 2011 and fiscal year 2019. Between 2011 and 2019, Calvert County recruited \$362.8 million in estimated capital investment accounting for 2.4 million square feet of new commercial space. The total commercial square footage in the County as of July 2020 was 11.7 million square feet.



Source: Calvert County, Maryland, Department of Finance and Budget

Economic Development

The County is involved in several large-scale economic development projects representing traditional business industry growth and continued improvements to utility infrastructure. Two of the County-based utilities, Dominion Cove Point and Exelon Nuclear Generation, remain a large presence in the community and continue to provide significant employment and tax revenue.

Dominion Energy's, Dominion Cove Point (Cove Point) – Completed the liquefaction export project is valued at approximately \$4 billion. With both import and export capability, the terminal will be positioned to provide services to its customers in any market environment. This liquid natural gas export project offers substantial job and tax benefits to Calvert County, with estimated tax revenue to exceed \$60.2 million (from the PILOT) in fiscal year 2020. Dominion Cove Point's total permanent employment is approximately 200 people.

Exelon – Calvert Cliffs Nuclear Power Plant is currently undergoing notable improvements with significant investment. In calendar year 2019, Exelon invested \$98 million in new improvements and in 2020 Exelon anticipates an additional investment of \$49 million.

SMECO – the Southern Maryland Electric Cooperative is undertaking a \$5.7 million dollar expansion of its distribution delivery system during 2020 and 2021 as part of the ongoing Solomons Island streetscape and reliability improvements. The project involves the conversion of old overhead electric infrastructure with new underground infrastructure to improve the aesthetics of one of Calvert County's most popular tourist attractions and improve reliability.

Patuxent Business Park (PBP) & Lusby Town Center - The County serves as the development manager of PBP in Lusby. At buildout, PBP will ultimately yield approximately 700,000+ square feet of Class A office and industrial/flex space. In conjunction with PBP, infrastructure was extended to the Lusby Town Center, a major concentration of commercial development in the County. As a result, expansion continues in the Lusby Town Center yielding new capital investment and retail choices and services for residents of the area.

To encourage further development at PBP, the County continues to refocus marketing efforts to expand targeted industries for PBP that includes light industrial uses. A majority of PBP remains set aside as planned commercial inventory for future commercial expansion in the County. The County is currently engaged with several potential buyers and is utilizing the services of a professional commercial real estate firm to promote the property.

In addition to development at PBP, the County Commissioners adopted a local law that authorized a Commerce Zone – an automatic real property tax credit specific to PBP. Several incentives that benefit the park remain available in addition to this new economic development tool.

In the fall of 2018, PBP was designated a Federal Opportunity Zone. Opportunity Zones provide a federal tax incentive for taxpayers who reinvest unrealized capital gains into Opportunity Funds, which are specialized vehicles dedicated to investing in Opportunity Zones. Opportunity Zones offer investors the following incentives for putting their capital to work in these communities: Investors can roll existing capital gains into Opportunity Funds with no up-front tax bill. A five-year holding increases the rolled-over capital gains basis by 10 percent; a seven-year holding increases the rolled-over capital gain investment basis by another five percent for a total of 15 percent. Investors can defer their original tax bill until Dec. 31, 2026, at the latest, or until they sell their Opportunity Fund investments, if earlier. Opportunity Fund investments held in the fund for at least 10 years are not taxed for capital gains.

In the fall of 2018, Grey Ops, LLC announced long term plans to construct an approximately 18,000-square-foot office headquarters and manufacturing facility at Patuxent Business Park (PBP) in Lusby, Md. This project will result in at least 10 new high-technology jobs for the County. In October 2019, Grey Ops, LLC entered into a five-year Public-Private Partnership agreement. Under this agreement the Naval Surface Warfare Center Indian Head Explosive Ordnance Disposal Technology Division (NSWC IHEODTD) and Grey Ops will jointly manufacture in Naval Surface Warfare Center Indian Head facilities an explosive desensitizing agent known as Silent Spring. Silent Spring is a Liquid Safing Fluid (LSF) intended to desensitize primary explosive hazards, most commonly homemade explosives, to allow the explosive ordnance disposal (EOD) warfighter the ability to safely move explosive materials, increase opportunities for forensic analysis, and minimize damage to existing infrastructure. At the end of the five-year Public-Private Partnership agreement, construction of the new Grey Ops private manufacturing facility is expected to begin.

In December 2019, Dominion Cove Point LNG, L.P entered into an Agreement of Sale with Maryland Economic Development Corporation to purchase Lot 5 at PBP for \$449,100. The project will encompass a multi-phased approach to development:

1. In Phase 1, Dominion intends to develop the site for use as a commuter parking lot to be used on a small-scale basis throughout the year and on a large-scale basis annually for the company's plant maintenance outages. The lot will provide up to 350 parking spaces.
2. In Phase 2, within 5 years following completion of the commuter parking lot, Dominion intends to construct a 3,000 square-foot office space (designated as Office, Non-Medical Category B) for security and safety to on-board outage craft support.
3. In Phase 3, within 8 years following completion of the commuter parking lot, Dominion intends to construct an 18,750 square-foot warehouse building, (designated Warehouse, Indoor, 1 space/1,500 square-feet) with some occasional outdoor storage as the situation arises, keeping up to 350 parking spaces for outages.

In February 2020, Solomons Partners, LLC (John A. Simpson, Jr., general partner) signed a Letter of Intent to purchase Lot 11 at PBP to construct warehouse space for lease to small companies with 2,500 to 5,000 square-feet. of average space. The project will include two buildings of approximately 8,500 square-feet. each. Due diligence was conducted by the Maryland Economic Development Corporation (MEDCO) and the Maryland Department of Commerce and an Agreement of Sale was executed for the purchase price of \$240,000 on June 26, 2020. Mr. Simpson is currently conducting due diligence and development plans which were negotiated to conclude by September 30, 2020.

Armory Square – On March 10, 2020, the Board of County Commissioners entered into a Purchase and Sale Agreement with Westmoreland Partners of Washington, DC, and Generation Properties, LLC of Dunkirk, MD, for development of the property known as Armory Square. The project combines the sale of the old Calvert Middle School site and a small parcel adjacent to the Armory in Prince Frederick. The project is estimated to add approximately 125,000 square-feet of new multi-use commercial space and create a minimum of 450 new jobs. The project would also increase commercial real property tax revenue by approximately \$325,000 annually. This project also allows for acquisition of land strategically located for the previously planned county bus transfer station. The property will be sold for the higher of two appraisals for \$3,871,400. The county will acquire property adjacent to the Armory for the new bus transfer station in the amount of \$225,672.

Tourism

Calvert County has many natural, cultural, recreational and historical resources that appeal to both residents and visitors alike. The impact of the travel/visitor industry on the County's economy is significant. In 2019 (*latest numbers available*), the industry employed 2,034 workers in Calvert County. Total tourism tax receipts were \$39.3 million and total tourism industry sales were \$143 million.

<i>Impact of Travel on Calvert County (Calendar Year 2019)</i>	
Tourism Industry Sales	\$ 143 million
Tourism Labor Income	\$ 90.7 million
Total Tourism Tax Receipts	\$ 39.3 million
Tourism Employment	2,034

Source: Tourism Economics, An Oxford Economics Company

Agriculture

Farms comprise 25,152 acres or 18.5% of the total land area in Calvert County. According to the 2017 Census of Agriculture, most farms in Calvert County consist of less than 50 acres with an average size of 90 acres. In fiscal year 2017, the agricultural base accounts for \$274.4 million, or 2% of the total base.

Of the 280 farms reported, 100 of the farm operators are full-time operators. There are a significant number of farms raising cattle, other livestock and horses with over 80 farms claiming involvement in the equine industry.

Because agriculture plays a role in economic development, the County continues to focus efforts on growth within the industry as some farm operations shift from traditional agriculture to agri-tourism. Several activities undertaken by the County to support this shift include increased marketing of fall agri-tourism events and activities, creation and promotion of new agri-tourism visitor products including new wine and brewery tours, farmers markets and other ongoing, business development and technical assistance opportunities.

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CERTAIN COMMUNITY RESOURCES IN CALVERT COUNTY

Education

Public Elementary, Middle, and Secondary Schools

The educational philosophy of the Calvert County School system is determined by the Board of Education, with the assistance of the Superintendent and their professional staff. The Board of Education is elected by the voters of the County. The Board of Education is responsible for formulating school policies, prescribing rules and regulations for the conduct and management of public schools, and carrying into effect State education laws and policies.

The education program includes grades pre-kindergarten through 12. Improved facilities and programs for the gifted and the handicapped, programs to identify children with learning problems at an early stage, remedial programs, and testing programs to evaluate the effectiveness of instruction in a number of areas have been added to address the needs of special populations.

The public school system consists of 13 elementary schools, six middle schools, and four high schools, a vocational training center, a planetarium, and a special education center designed for the education of the physically and mentally impaired. The September 2019 enrollment in the public schools was approximately 15,577 students ("FTE"). The projected enrollment for 2020 is 15,716, excluding students enrolled in pre-kindergarten.

The following table presents the expenditures, and appropriations of local funds spent or proposed to be spent on public elementary, middle and secondary education for fiscal years 2019, 2020, and 2021, respectively:

	<u>Fiscal Year</u>	<u>Amount</u>
Expenditures	2019	\$126,367,666
Expenditures	2020	130,589,034
Appropriations	2021	134,705,249

Higher Education

Community College

In the fall of 1982, the Community College at Calvert County (the "College") opened as a satellite campus of Charles County Community College, which is accredited by the Middle States Association of Colleges and Schools. The County purchased a facility in 1987 for the College, which allowed it to offer day and evening classes. In 2001, a regional college concept was approved by the general assembly and the name was changed to the College of Southern Maryland. The College of Southern Maryland at Prince Frederick constructed a flagship building on a 75-acre parcel purchased in 1998. The property is located on Route 231 in Prince Frederick. The first building opened in the fall of 2005 and provided 64,000 square feet on two levels. The second building opened in the fall of 2013 and added 30,000 square feet of additional academic space, consisting of graphics, classrooms, labs and a large multi-purpose room. The College of Southern Maryland is made up of four campuses in the three southern Maryland counties and is supported by funding from all three counties, the State, and tuition and fees.

The 2019 fall credit enrollment for full-time equivalents (FTE) for the tri-county campuses was 1,841. The Prince Frederick campus FTE fall enrollment for 2019 was 363. The fall 2019 commencement awarded a total of 1,116 associate degrees and 698 certificates with Calvert County residents receiving 228 associate's degrees and 170 certificates. The College's programs of study are organized into five types: transfer, career, certificate, letter of recognition and continuing education. The transfer and career curricula are two-year programs leading to an Associate in Arts degree in arts & science, applied science technology, business administration, computer programming, microcomputers, general studies, management development, nursing (first year), and teacher education. In addition, the College offers certificate programs in the areas of early childhood development, basic accounting, advanced accounting, management development, and management skills.

The following table represents expenditures, appropriations, and proposed local revenue spent or to be spent if approved on higher education in Calvert County in fiscal years 2019, 2020 and 2021 respectively:

	<u>Fiscal Year</u>	<u>Amount</u>
Expenditures	2019	\$4,646,943
Expenditures	2020	4,646,943
Appropriations	2021	4,646,943

Medical Facilities

Hospital

CalvertHealth Medical Center has 134 licensed beds and is located in Prince Frederick, the geographic center of Calvert County. The hospital was completed in 1978 and expanded in 1982 and 1999. In 2017, they broke ground on Phase 1, a \$51 million, three-story expansion to increase the number of private patient rooms by 20. The project was completed in 2020. In 2020, Phase 2 began and is estimated to cost \$1.2m. There are 267 active and consulting physicians representing over 40 different specialties. The facility provides a full range of outpatient, inpatient, ambulatory health, state-of-the-art diagnostic imaging and psychiatric services.

Nursing Home

There are currently 284 nursing home beds in Calvert County. The Calvert Nursing Center has 149 beds, Solomons Nursing Center has 87 beds and Asbury Solomons Island has 48 beds. Other nursing homes are located in the following adjacent Charles, St. Mary's and Prince George's Counties.

Recreation

Parks & Recreation and Natural Resource Parks

In partnership with Calvert County residents, the Department of Parks & Recreation cultivates programs, parks and services that positively impact quality of life; preserve natural and cultural resources; promote economic stability; and satisfy community needs for opportunities in recreation, wellness, knowledge, and connecting with nature. The Department strives to enhance the health, economy and well-being of our community through sustainable practices, leisure opportunities and environmental stewardship. Four divisions (Natural Resources, Parks & Safety, Recreation, and Special Facilities) manage, operate, program and maintain all of the different aspects of parks and recreation services in Calvert County. This includes management of over 2,500 acres of both active and passive park land. The Natural Resources Division manages the state-owned Kings Landing Park, a 260-acre park on the Patuxent River, which provides river access for fishing, kayaking/canoeing, camping cabins, trails, and a horse riding ring. The County also operates a public swimming pool at the park. The County facilitates the contract for the public boat launches located at the state-owned Solomons Island boat ramp. Other natural resource areas operated by Calvert County include the Battle Creek Nature Center, Hughes Tree Farm, Biscoe Gray Heritage Farm, and Flag Ponds Nature Park which is known for views of the Calvert Cliffs and fossil hunting on the beach. The Parks & Safety Division manages active park land which includes three major district parks: Hallowing Point, Dunkirk District and Cove Point. These facilities provide a variety of athletic facilities such as tennis courts, multi-purpose fields, basketball courts, pickle ball courts, as well as picnic areas, exercise trails and playgrounds. Additional athletic facilities are provided at Twin Shields Recreation Area, Marley Run Recreation Area, BGE Field, St. Leonard Recreation Area and Solomons Town Center Park. This Division is also responsible for maintenance and upkeep at 11 school outdoor field facilities, dog parks, skate parks, equipment maintenance, landscaping, snow removal, and other tasks as needed within park facilities. The Recreation Division operates programs and activities out of eight community center locations and 22 school locations after school hours. Typical recreational activities include arts and crafts, dance, fitness, martial arts, music, education/development, special interest, workshops, trips, nature programs, and sports activities. Therapeutic Recreation offers specialized programs as well as assistance to persons with special needs who may require assistance in order to participate in general recreational programs. The Special Facilities Division operates and manages aquatic facilities, Chesapeake Hills Golf Course, Breezy Point Beach & Campground, and Concession operations. The Edward T. Hall Aquatic Center is the only indoor pool facility in Calvert County and is popular year-round for swim meets, swim team practice, lessons and fitness classes. The Cove Point Waterpark at Cove Point Park is a popular family summertime venue. The Department also manages Breezy Point Beach and Campground. This facility offers tent and trailer camping, a fishing pier, picnic areas, and swimming in the Chesapeake Bay. The County owns and operates Chesapeake Hills Golf Course in Lusby, an 18-hole course with driving range. In 2018, the County broke ground for the 203-acre Ward Farm Recreation and Nature Park located in Dunkirk and accepted a land donation in Lusby for a future 179-acre regional park. Also in 2018, the County acquired through considerable grant funds, a 48.35-acre parcel in Prince Frederick on Battle Creek called the Gatewood Preserve which allows immediate water access to visitors.

The public can also access and enjoy the great outdoors at a number of state-owned facilities in Calvert County. Calvert Cliffs State Park (approximately 1,200 acres) has a fishing pond, and thirteen miles of trail system, including a self-guided nature trail, large playground and access to the Chesapeake Bay. Jefferson Patterson Park and Museum (JPPM) (approximately 500 acres) is administered by the Maryland Historical Trust and dedicated to the interpretation of the historical and archeological resources of Calvert County. JPPM offers educational programs, workshops, and events such as Children's Day on the Farm and Native American Heritage Day.

Cultural Attractions

The Calvert Marine Museum in Solomons offers Smithsonian quality on a local scale. Exhibits on the paleontology of the Miocene epoch, the Maritime Heritage of Southern Maryland, and a 15 tank aquarium which features aquatic life of the Chesapeake Bay offer a vibrant, interactive learning experience. There is also a Discovery Room, a marsh walk, and The Museum Store. The museum owns two historic lighthouses, and the J.C. Lore & Sons Oyster House. Two iconic Chesapeake workboats offer regular cruises: the former buyboat *Wm B. Tennison*, one of the oldest Coast Guard inspected passenger vessels still operating in the Chesapeake, and the skipjack *Dee of St. Mary's*, used for educational programs. The museum is opened daily, year-round.

The Chesapeake Beach Railway Museum in Chesapeake Beach is located in the original train depot on its original site adjacent to the Chesapeake Bay. This museum focuses on collecting, preserving, interpreting, and exhibiting objects, artifacts, and photographs relating to the history of the Chesapeake Beach Railway, and the towns and resorts of Chesapeake Beach and North Beach.

Housing

The number of new residential dwelling building permits issued for Calvert County, including incorporated municipalities for the fiscal years ended June 30, 2015 through 2019, are listed below.

Building Permits for Dwelling Units Issued	
2016	215
2017	275
2018	186
2019	170
2020	154

Source: Calvert County Department of Inspections and Permit

Construction Activity

Construction activity as illustrated by the number of use and occupancy permits issued and their estimated value is reflected below.

Use and Occupancy Permits Year Ended June 30

	2016		2017		2018		2019		2020	
	<u>Issued</u>	<u>Value</u>	<u>Issued</u>	<u>Value</u>	<u>Issued</u>	<u>Value</u>	<u>Issued</u>	<u>Value</u>	<u>Issued</u>	<u>Value</u>
Residential	265	\$ 68,180,533	275	\$ 70,771,414	186	\$ 80,575,530	170	\$ 95,222,743	186	\$ 94,210,665
Commercial	27	8,260,220	26	8,574,108	29	6,859,591	19	61,243,448	29	25,648,974
Total	292	\$ 76,440,753	301	\$ 79,345,522	215	\$ 87,435,121	189	\$ 156,466,191	215	\$ 119,859,639

Note: Residential includes residential property.

Source: Calvert County Department of Inspections and Permits.

(1) Values based on applicant's estimates.

Land Use

Calvert County's land use is predominantly agricultural and woodland, with about 51,492 acres or 37.5% having been developed. The following table shows the current estimated land use within Calvert County.

	Acres*	Percentage
Development	52,457	38.20%
Forest	60,994	44.41
Agriculture	20,483	14.92
Other	3,395	2.47
Total	137,329	100.00%

*Assessed properties only.

Source: Calvert County Department of Planning & Zoning

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Potential Impact of COVID-19 Pandemic on the County

In response to the ongoing COVID-19 pandemic, the Governor of the State of Maryland proclaimed a state of emergency and catastrophic health emergency within the State of Maryland on March 5, 2020 and renewed on March 17, 2020 and on several subsequent dates. Since the initial and renewed proclamation, the Governor of Maryland has issued a series of executive orders, among other things, prohibiting large gatherings and events, requiring closure of nonessential and certain other businesses and authorizing emergency healthcare delivery. On March 30, 2020, the Governor of Maryland issued an executive order requiring Maryland residents to stay at home except for essential activities. Subsequently, the Governor of Maryland amended and restated existing orders and lifted the statewide stay-at-home order and allowed the reopening of certain businesses and facilities subject to local regulation. As a result of these executive orders, many businesses and retail establishments in Maryland, including in the County, were closed or materially reduced business activity, but have since been allowed to reopen at 50% to 75% capacity. Further, the U.S. Treasury Department and the Internal Revenue Service have announced that the federal income tax filing due date is automatically extended from April 15, 2020, to July 15, 2020, and that taxpayers can also defer federal income tax payments due on April 15, 2020, to July 15, 2020. The Maryland Comptroller has extended the deadline for filing Maryland state tax returns and making payments for state income taxes from April 15, 2020, to July 15, 2020.

The County's principal source of revenue are property and income taxes, which constitute 73.0% of total General Fund operating revenue for fiscal 2021: 50.0% from real property taxes and 23.0% from local income taxes. See "GENERAL FUND REVENUES AND EXPENDITURES" for a further discussion of the County's revenues and revenue sources. Although the County does not currently anticipate that the levy and collection of property taxes will be materially affected, the potential impact of the COVID-19 pandemic cannot be fully determined at this time. The County may experience a decline and delay in income tax collected in the current and upcoming fiscal years, the extent to which the County cannot determine at this time. Certain other revenues are expected to be temporarily affected, primarily for the remainder of fiscal year 2021 and include residential and commercial permits, recordation and transfer tax, admission and amusement tax, gaming revenue, and hotel/motel tax. However, for fiscal year 2020, the County anticipates other revenues to exceed budget and savings from wages to provide for the anticipated reduction in those aforementioned revenues. As a result of the COVID-19 pandemic, the County may experience an increase in expenses for emergency preparedness, public health and personnel costs. Of those expenditures, the County anticipates being reimbursed the allocable shares from other entities on whose behalf the County makes an initial expenditure outlay and is hopeful of recovering other portions through FEMA reimbursement. The County has the liability to adjust its spending on certain capital projects and other operating costs to maintain a balanced budget in response to the anticipated challenges of the COVID-19 pandemic. In addition, the County maintains a fund balance in its General Fund which the County may utilize to respond to such challenges. See "GENERAL FUND REVENUES AND EXPENDITURES" for a further discussion regarding the County's General Fund.

The COVID-19 pandemic's long-term impact on the State and local economy and on County pension funding and contribution requirements resulting from reduced investment returns cannot be currently determined. Further, the ongoing COVID-19 pandemic may cause additional economic and health challenges that cannot be anticipated or quantified at this time.

LITIGATION

The County is a party to numerous legal proceedings of the type which normally occur in governmental operations. The pending legal proceedings are not, in the opinion of the County Attorney, John B. Norris, III, likely to have a material adverse impact on the County's financial condition.

FINANCIAL ADVISOR

Davenport & Company LLC, Towson, Maryland (the "Financial Advisor") is a registered municipal advisor with the Municipal Securities Rulemaking Board and serves as financial advisor in connection with the issuance of the Bonds and other matters related to the County's finances. The Financial Advisor has not been engaged, nor has it undertaken, to audit, authenticate or otherwise verify the information set forth in this Official Statement, or any other related information available to the County, with respect to accuracy and completeness of disclosure of such information. The Financial Advisor makes no guaranty, warranty or other representation respecting the accuracy and completeness of this Official Statement or any other matter related to the Official Statement.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Bingham Arbitrage Rebate Services Incorporated, a firm of independent arbitrage agents, upon delivery of the Bonds, will deliver to the County its attestation report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the computations performed by Davenport & Company LLC relating to (a) the sufficiency of the anticipated receipts from the Government Obligations, together with the initial cash deposit, if any, to pay, when due, the principal of, the redemption premium, if any, and interest due on the Refunded Bonds to and including the date on which such bonds are redeemed, and (b) the “yield” on the Government Obligations and on the Tax-Exempt Bonds.

The report of Bingham Arbitrage Rebate Services Incorporated will include the statement that the scope of their engagement was limited to verifying the mathematical accuracy of the computations contained in such schedules provided to them and that they have no obligations to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

SALE AT COMPETITIVE BIDDING

The Bonds were offered for sale by the County at competitive sale on October 22, 2020 in accordance with the official Notices of Sale (the forms of which are attached as Appendix C). The interest rates shown on the inside front cover of this Official Statement are the interest rates to the County resulting from the award of the Bonds at the competitive sale. The yields or prices shown on the inside front cover of this Official Statement are based on information supplied to the County by the successful bidders. Any other information concerning the terms of reoffering of the Bonds, if any, including yields or prices, should be obtained from the successful bidders and not from the County.

RELIANCE ON ACCOUNTANTS

The financial statements included in Appendix A have been audited by SB & Company, LLC, independent certified public accountants for the County for fiscal year 2019, to the extent stated in their report included in Appendix A. The financial statements have been included in reliance upon the report of such firm, which report is given upon their authority in matters of auditing and accounting. The independent accountants were not requested to review or updated such financial statements or their report in connection with the issuance of the Bonds and such report speaks only as of its date. The independent accountants have not performed any audit procedures subsequent to the date of their report and have not audited any financial statements of the County as of any date, or for any period, subsequent to June 30, 2019.

CERTIFICATE OF COUNTY OFFICIALS

Simultaneously with or before delivery of and payment for the Bonds, the County will furnish to the successful bidders a certificate of the President of the Board of County Commissioners of the County and the Director of Finance and Budget of the County which will state that, to the best of their knowledge and belief, this Official Statement (and any amendment or supplement hereto), as of the date of sale and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in this Official Statement (and any amendment or supplement hereto).

CONTINUING DISCLOSURE

In order to enable participating underwriters (as defined in SEC Rule 15c2-12) to comply with the requirements of paragraph (b)(5) of SEC Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement (the “Continuing Disclosure Agreement”) on or before the date of issuance and delivery of the Bonds. Pursuant to the Continuing Disclosure Agreement, among other things, the County will agree to provide, directly or through an intermediary, (i) to the Municipal Securities Rulemaking Board (“MSRB”) in an electronic format prescribed by the MSRB, (A) annual financial information and operating data regarding (i) a summary of the County’s revenues and expenditures, (ii) a summary of outstanding bonded indebtedness of the County, and (iii) the County’s assessed values, tax rates, tax levies and collections; such information to be made available within 275 days after the end of the County’s fiscal year, commencing with the fiscal year ending June 30, 2020; and (B) annual audited financial statements for the County, such information to be made available within 275 days after the end of the County’s fiscal year, commencing with the fiscal year ending June 30, 2020, unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available, in which event the

County will provide unaudited financial statements within said time period; (ii) in a timely manner, not in excess of ten business days after the occurrence of the event, to the MSRB in an electronic format prescribed by the MSRB, directly or through an intermediary, notice of the occurrence with respect to the Bonds of any of the Reportable Events (described below); and (iii) in a timely manner, to the MSRB in an electronic format prescribed by the MSRB, notice of a failure by the County to provide the required annual financial information and operating data within the applicable time periods specified in clauses (i)(A) and (i)(B) above. Reportable Events shall be defined as (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds; (vii) modifications to rights of bond holders, if material; (viii) bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the obligated person; (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material; (xv) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties. “Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with SEC Rule 15c2-12. If the definition of “financial obligation” in SEC Rule 15c2-12 is amended, the same amendment shall be deemed to be made to the definition of Financial Obligation in the Continuing Disclosure Agreement, without further action by the County. The definition of Reportable Events is intended to include all of the sixteen events specified in SEC Rule 15c2-12. It is noted that certain Reportable Events are expected to have no applicability to the Bonds, such as events relating to debt service reserves, credit enhancements and liquidity providers, and property or other collateral.

The County reserves the right to terminate its obligation to provide annual financial information and notices of Reportable Events, as set forth above, if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of SEC Rule 15c2-12. The Continuing Disclosure Agreement will provide that the County may provide further or additional assurances that will become part of the County’s obligations under the Continuing Disclosure Agreement. In addition, the Continuing Disclosure Agreement may be amended by the County in its discretion provided that (i)(A) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the County as the obligated person with respect to the Bonds, or type of business conducted; (B) the Continuing Disclosure Agreement, as amended, would, in the opinion of nationally recognized bond counsel selected by the County, have complied with the requirements of SEC Rule 15c2-12(b)(5) at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of this rule, as well as any change in circumstances; and (C) the amendment does not materially impair the interests of holders of the Bonds, as determined either by nationally recognized bond counsel selected by the County, or by an approving vote of the holders of at least 25% of the outstanding aggregate principal amount of Bonds, or (ii) the County receives an opinion of nationally recognized bond counsel selected by the County to the effect that such amendment is permitted or required by SEC Rule 15c2-12. The reasons for the County agreeing to provide any further or additional assurances or for any amendment and the impact of the change in the type of operating data or financial information being provided will be explained in information provided with the annual financial information containing the additional or amended operating data or financial information.

The Continuing Disclosure Agreement, and any claim made with respect to the performance by the County of its obligations thereunder, shall be governed by, subject to, and construed according to the laws of the State. The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under the Continuing Disclosure Agreement, and the County shall be given 45 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County must be filed in the Circuit Court of Calvert County, Maryland, and any party maintaining such suit or other proceeding shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to the Director of Finance and Budget of the County, Courthouse, 175 Main Street, Prince Frederick, Maryland 20678. The Continuing Disclosure Agreement constitutes an undertaking by the County that is independent of the County’s obligations with respect to the Bonds; any breach or default by the County under the Continuing Disclosure Agreement shall not constitute or give rise to a breach or default under the Bonds.

The foregoing is a summary of certain provisions of the Continuing Disclosure Agreement. It is not a complete recital of the terms of the Continuing Disclosure Agreement, and reference should be made to the Continuing Disclosure Agreement for a complete statement of its terms.

On July 14, 2016, Moody's Investors Service upgraded its rating on the County's general obligation bonds to "Aaa." The County filed a notice of the upgrade with EMMA, but failed to link the notice to all applicable CUSIPs/bond issues and the notice was filed two (2) business days late. The missing links have been corrected. Except as described in this paragraph (to the extent any of the foregoing constitutes a material failure), in the previous five years, the County has not failed to comply in any material respect with any prior continuing disclosure undertaking made pursuant to SEC Rule 15c2-12.

MISCELLANEOUS

The information set forth in this Official Statement is subject to change without notice, and no implication is to be derived therefrom or from the sale of the Bonds that there has been no change in the affairs of the County from the date hereof. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any estimates will be realized.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or registered holders of any of the Bonds.

COUNTY COMMISSIONERS OF CALVERT COUNTY

By: /s/ KELLY MCCONKEY
 Kelly McConkey
 President of the Board of County
 Commissioners of Calvert County

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Calvert County Maryland

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2019

Prepared by:
Department of Finance & Budget
Calvert County, Maryland

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2019

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

JUNE 30, 2019

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Introductory Section



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CALVERT COUNTY GOVERNMENT

Board of County Commissioners

Thomas "Tim" Hutchins, President

Kelly D. McConkey, Vice President

Earl "Buddy" Hance, Commissioner

Mike Hart, Commissioner

Steven R. Weems, Commissioner

December 20, 2019

Honorable Members of the Board of County Commissioners of Calvert County,
County Administrator and Citizens of Calvert County

The Comprehensive Annual Financial Report of Calvert County, Maryland for the Fiscal Year ended June 30, 2019, is hereby submitted. Calvert County Code of Public Local Law requires that Calvert County annually issue a report of its financial position and activity, and that this report be audited by certified public accountants. The County is also required to undergo an annual single audit in conformity with the provisions of the Title 2 United States *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance.) Responsibility for both the accuracy of the data and the completeness and reliability of all of the information presented in these reports rests with the County's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of Calvert County Government and its component units.

Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse, and to ensure that adequate and accurate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance implies a high degree of assurance, constrained by the costs and benefits of establishing incremental control procedures. The cost of a control should not exceed the benefit to be derived from it.

SB & Company, LLC, Independent Certified Public Accountants have audited Calvert County Government's financial statements. The goal of the independent audit is to provide

reasonable assurance that the financial statements of Calvert County Government for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified (“clean”) opinion that the financial statements are fairly presented in conformity with GAAP. The auditor’s report is presented as the first component of the financial section of this report. Also prepared by the auditors is a “report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards”. This report is presented on pages 121 and 122.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Calvert County Government’s MD&A can be found immediately following the report of the independent auditors starting on page 4.

PROFILE OF THE GOVERNMENT

Calvert County, Maryland was formed as one of the original counties in Maryland in 1654 and has a Commissioner form of government. A board of five Commissioners governs the County and serves the executive and legislative functions. The Commissioners generally derive their authority from those powers and duties prescribed within the laws of the State of Maryland and the Code of Public Local Laws of Calvert County, Maryland. Election of the County Commissioners was amended by the Maryland General Assembly in 2013 so that “[b]eginning with the general election to be held in Calvert County in November 2014: (1) one county commissioner shall be a resident of and shall represent the first election district of the county; (2) one county commissioner shall be a resident of and shall represent the second election district of the county; (3) one county commissioner shall be a resident of and shall represent the third election district of the county; and (4) two county commissioners shall be residents of the county and shall represent the county at large.... Each candidate for the office of county commissioner shall specify at the time of filing a certificate of candidacy whether the candidate is seeking to represent the district in which the candidate resides or to represent the county at large” (2013 Laws of Maryland, Chapter 310).

There are several other elected officials in Calvert County that include: Register of Wills, Sheriff, States Attorney, Treasurer, Mayor of the Town of Chesapeake Beach, Mayor of the Town of North Beach, Clerk of the Circuit Court, and five members of the Board of Education.

The Commissioners appoint a County Administrator and Deputy County Administrator who are responsible for the day-to-day administration of the County government. The Commissioners establish policy, enact ordinances, review and approve annual budgets, conduct public hearings and make decisions on land use matters. The Commissioners also appoint all department heads, members of boards and commissions and represent the

county in dealings with other municipalities, the state and federal government. The office of the Commissioners is located at 175 Main Street, Prince Frederick, Maryland, 20678. The main phone number is 410-535-1600 and the website is www.calvertcountymd.gov.

Calvert County occupies 213 square miles, has 143 miles of shoreline, and serves a population of about 90,000. It is the smallest county in Southern Maryland. Calvert County retains its rural character and agrarian roots, offering good schools, a clean environment and good quality of life. Calvert is a peninsula, bounded by the Chesapeake Bay on the east and the Patuxent River on the west. Steep cliffs and woods predominate on the bay side, while along the Patuxent, rolling fields slip gently down to the river. The County's many creeks provide refuge for wildlife, as well as scenic areas for boating and fishing.

Prince Frederick, the County seat, is located 35 miles southeast of Washington, D.C. and 55 miles south of Baltimore. There are two incorporated towns in Calvert County: North Beach and Chesapeake Beach, located on the bay at the northeast corner of the county. In addition, the Comprehensive Plan identifies seven "town centers." These include (from north to south) Dunkirk, Owings, Huntingtown, Prince Frederick, St. Leonard, Lusby, and Solomons.

The County provides a full range of municipal services, including: public safety, construction and maintenance of highways and streets, sanitation, health and social services, culture/recreation, education, public improvements, planning and zoning, and general administrative services. The County is also financially accountable for legally separate entities which are reported separately within the County's financial statements. The entities that meet these criteria are the Calvert County Board of Education and the Economic Development Authority of Calvert County. Additional information on the component units can be found in Note 1.

Calvert County's annual operating and capital budget represents a comprehensive financial plan for the County effective each year on the first day of July. Each County department, agency, or board receiving county funds submits a budget request to the Commissioners at a public hearing, via the Department of Finance and Budget. Additional public hearings are conducted to obtain taxpayer comments. On or before July 1 of each year, the budget is legally enacted through passage of a resolution. No expenditure of county funds may be made in excess of appropriation at the fund level. A Summary Schedule of Revenues, Expenditures, and Other Financing Sources and Uses - Budget and Actual (budgetary basis) can be found on page 21 of this report. The capital projects fund budget is prepared on a project length basis and, accordingly, annual budgetary comparisons are not presented in the basic financial statements and supplemental information.

FACTORS AFFECTING FINANCIAL CONDITION

Local economy: Conservative fiscal management has allowed the County to maintain a sound financial position. Property taxes and income taxes provide the majority (91 percent, fiscal year 2019) of the revenue for the General Fund of the Calvert County Government. Property assessments are expected to continue with their recent, small increases. Actual Income tax receipts in FY 2019 were slightly under projections. Future projections of income tax use an increasing trend of about 4%.

Property tax, the largest revenue source, represented 61% of the total General Fund revenue for fiscal year 2019. The number of residential building permits issued in fiscal year 2019 was 439, an increase of 142% or 253 permits from the 186 issued in FY 2018. The local public utility providers continue to add significantly to our property tax category of revenues.

Income tax revenue, at 23% of the total General Fund revenue for fiscal year 2019, is directly affected by personal income levels, employment levels, and population growth. Our wealthy county sees major swings related to the timing of capital gain recognition reported on income tax returns.

Long-term financial planning: Calvert County annually adopts a Capital Budget and prepares a five year Capital Improvement Plan. There is also a four year financial forecast prepared of general fund revenues and expenses that is included in the annual budget document. These are the County's primary financial management planning tools.

The fiscal year 2020 operating budget demonstrated that education and public safety are the top priorities of the County's administration. The capital improvements program budget for fiscal year 2020 shows education and recreation resources receiving the largest allocations.

The County continues its policy of maintaining a reserve of 8% of current budgeted General Fund expenditures to protect its high AAA credit ratings and provide for a source of funds to be available in the event of "catastrophic" revenue short falls. The County maintains additional reserve funds as a means to handle potential revenue shortfalls, to fund one-time non-recurring expenditures, or in the event of emergency or unplanned expenditures. In addition, the County has assigned a portion of fund balances for accrued leave. The latest ratings, received during fiscal year 2019, were "Aaa" from Moody's Investors Service, Inc., "AAA" from Standard & Poor's, and "AAA" from Fitch Ratings. This is the County's third rating cycle with three "AAA" ratings.

In 1990, the County adopted a debt affordability model to ensure that the debt levels are kept at an affordable, manageable, moderate level. A debt policy was adopted in fiscal year 2009 to comply with the State of Maryland's new requirement. That policy was amended during fiscal year 2014 to reflect some economic changes. The guidelines created in 1990 and ratified in this amended policy, establish maximum acceptable debt ratios. These ratios and their maximum acceptable levels are: 1) debt to assessed value, 1.8 percent and 2) debt service as a percent of general fund revenue, 9.5 percent. Using fiscal year 2019 data, the County's current ratios are as follows: debt to assessed value is 1.14 percent and debt service to general fund revenue is at 6.8 percent.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Calvert County Government for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an

easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County also received the GFOA Award for Distinguished Budget Presentation for its annual budget dated July 1, 2018 to June 30, 2019. In order to qualify for this Distinguished Budget Award, the County must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications medium. We believe our current budget continues to conform to program requirements and have submitted it to the GFOA to determine its eligibility for another award.

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance and Budget Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report and accurately recording the day-to-day transactions that make up the report.

I would also like to thank the County Commissioners, the County Administrator and the Deputy County Administrator, for their leadership and support in planning and conducting the financial operations of the County in a responsible manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tim Hayden', with a stylized flourish at the end.

Tim Hayden, CPA, CMA
Director, Finance and Budget



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County Commissioners of Calvert County
Maryland**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

COUNTY COMMISSIONERS OF CALVERT COUNTY

CERTAIN ELECTED OFFICIALS

Kelly McConkey
President, Board of County Commissioners

Mike Hart
Vice President, Board of County Commissioners

Earl F. "Buddy" Hance
Commissioner

Thomas "Tim" Hutchins
Commissioner

Steven R. Weems
Commissioner

Novalea Tracy-Soper
Treasurer

CERTAIN APPOINTED OFFICIALS

J. Mark Willis
County Administrator

Wilson H. Parran
Deputy County Administrator

Timothy Hayden
Director of Finance and Budget

Mary Beth Cook
Director of Planning and Zoning

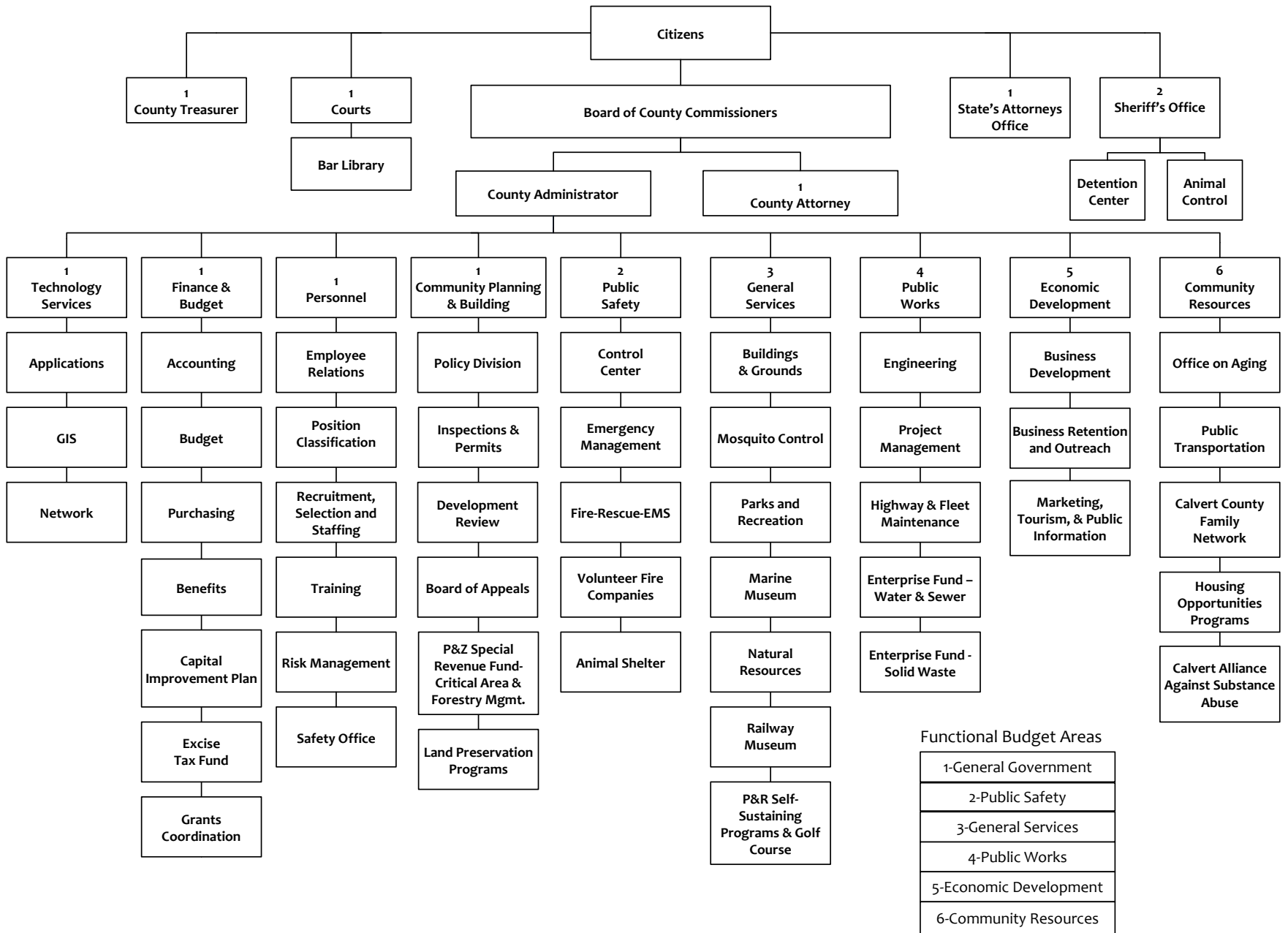
Linda Vassallo
Director of Communications and Media Relations

Kelly Slagle
Director of Economic Development

P. Rai Sharma
Director of Public Works

Shannon Nazzal
Director of Parks and Recreation

Jacqueline K. Vaughan
Director of Public Safety



Financial Section



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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the County Commissioners of Calvert County, Maryland
 Prince Frederick, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County Commissioners of Calvert County, Maryland (the County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Education of Calvert County, Maryland. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, are based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows and the respective budget and actual statements for the general fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in County's net pension liability and related ratios, the schedules of County contributions, and schedules of investment returns for the Volunteer Fire and Rescue Pension fund, Sheriff's Department Pension Plan and Employees Retirement Plan, the schedules of changes in the County's net OPEB liability and related ratios, employer contributions, and investment returns for the Other Post-Employment Benefits Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, statistical tables and the combining and individual nonmajor funds and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual nonmajor funds and other schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual nonmajor funds and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of the County's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal controls over financial reporting and compliance.

Owings Mills, Maryland
 December 20, 2019

SB & Company, LLC

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Annual Financial Report of Calvert County, Maryland presents a narrative overview and analysis of the financial activities of Calvert County Government for the fiscal year ended June 30, 2019. We encourage readers to use the information presented here in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

Government-wide:

- The assets and deferred outflows of resources of Calvert County Government exceeded its liabilities and deferred inflows of resources at the close of this fiscal year by \$156.9 million (*net position*); 25.5 percent of this amount is attributable to the business-type activities that include the Water and Sewer Fund and the Solid Waste and Recycling Fund. Of total net position, \$174.1 million is the net investment in capital assets, and \$16.5 million is restricted for specific purposes. The County's unrestricted net position is a negative \$33.8 million. This deficit balance in unrestricted net position results primarily from the implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and related Statement No.74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in fiscal year 2018, which required the County to record its net OPEB liability of \$40.1 million. The business-type activities ended with an unrestricted net position of \$5.9 million. Included as restricted cash, for the primary government, is \$34.6 million which represents bond proceeds.
- The government's total net position has increased by \$9.7 million; a \$7.9 million increase was related to the governmental activities and \$1.7 million was related to the business-type activities.

Fund Level:

- As of June 30, 2019, the County's governmental funds reported combined fund balances of \$135.3 million, an increase of \$39.9 million from the prior year. 86.0 percent of this total amount, \$116.4 million is available to meet the County's current and future needs (*committed, assigned and unassigned*). Of this total, \$94.1 million (prior year, \$56.6 million) has been dedicated for certain purposes, including, \$49.3 million for capital projects, \$6.8 million for purposes within special revenue funds and \$5.0 million for vacation and sick leave obligation payout.
- The proprietary funds revenue increased by \$1.7 million or 4.5 percent.
- At the close of the current fiscal year, the available fund balance for the General Fund was \$60.2 million (*committed, assigned and unassigned*), or 20.3 percent of total fiscal year

2019 General Fund budgetary expenditures and other financing uses. Nonspendable and restricted fund balance of the General Fund was \$9.6 million, or 13.7 percent of fund balance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Calvert County Government's basic financial statements. Calvert County Government's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required and non-required supplementary information.

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of Calvert County Government's finances, in a manner comparable to a private-sector business. The government-wide financial statements can be found on pages 15 to 17 of this report. These statements are described next:

- The *statement of net position* presents information on all of Calvert County Government's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position and condition of Calvert County Government is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Calvert County Government that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Calvert County Government include: general government, public safety, public works, health and hospitals, social services, education, recreation and culture, conservation of natural resources, urban development and housing, economic development, and debt service. The business-type activities of Calvert County Government include: water and sewer and solid waste & recycling.

The government-wide financial statements include not only Calvert County Government itself (known as the *primary government*), but also legally separate component units. Calvert County Government has the following component units: Calvert County Board of Education and Economic Development Authority. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Calvert County Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Calvert County Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Calvert County Government maintains 15 individual governmental funds: the General, Planning and Zoning, Board of Library Trustees, Parks and Recreation, the Chesapeake Hills Golf Course, the Calvert Marine Museum, Bar Library, Economic Development Authority Revolving Loan, Revolving Loan, Calvert County Family Network, Excise Tax, Economic Development Incentive, Grants, Land Preservation, and Capital Projects funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and capital projects funds with a summary of the other funds, referred to as nonmajor governmental funds.

Calvert County Government adopts an annual appropriated budget for its General Fund. To demonstrate compliance with this budget, a budgetary comparison statement has been provided for the General Fund, the County's primary fund. The summary schedule on a budgetary basis for the General Fund can be found on page 21 of this report.

Proprietary funds: Proprietary funds, also known as enterprise funds, are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Calvert County Government uses enterprise funds to account for its water and sewer and solid waste and recycling in the basic proprietary fund financials found on pages 22 to 24 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Calvert County

Government's own programs. The basic fiduciary fund financial statements can be found on pages 25 and 26 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are part of the basic financial statements and can be found on pages 27 to 69 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*, other *supplementary information*, and a *statistical section* concerning Calvert County Government. Required supplementary information can be found beginning on page 70 of this report.

Government-wide Financial Analysis

This is the sixteenth reporting period that the Governmental Accounting Standards Board (GASB) Statement No. 34 has been applied in the preparation of the financial statements of Calvert County Government.

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial condition and position. In fiscal year 2019, assets and deferred outflows exceeded liabilities and deferred inflows by \$156.9 million (prior year, \$147.2 million).

As shown in the chart on the following page titled "Calvert County Government's Changes in Net Position" Calvert County Government's net position is divided into three categories:

- *Net invested in capital assets*; it consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowing attributable to the acquisition, construction, or improvements of those assets.
- *Restricted net position*; it consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- *Unrestricted net position*; it consists of the difference between total net position and its other two components.

Net investment in capital assets includes the County's purchases of land and easements, buildings, machinery, equipment, infrastructure and improvements, less any un-matured debt used to acquire those assets. Note that school buildings become assets of the Board of Education but the debt stays on the County's books. This has a negative impact on Net Position. The County uses these capital assets to provide services to citizens. Restricted net positions are resources that are subject to external restrictions on how they may be used. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

The table on the following pages indicates the changes in net position for governmental and business-type activities:

Calvert County's Government's Change in Net Position

	Governmental Activities			Business-type Activities			Total		
	2019	2018	Difference	2019	2018	Difference	2019	2018	Difference
Current and other assets	\$ 199,611,279	\$ 143,344,135	\$ 56,267,144	\$ 5,247,942	\$ 5,376,393	\$ (128,451)	\$ 204,859,221	\$ 148,720,528	\$ 56,138,693
Capital assets	217,504,967	217,178,863	326,104	68,779,176	67,783,839	995,337	286,284,143	284,962,702	1,321,441
Total assets	417,116,246	360,522,998	56,593,248	74,027,118	73,160,232	866,886	491,143,364	433,683,230	57,460,134
Deferred outflows of resources	6,076,832	9,276,899	(3,200,067)	-	-	-	6,076,832	9,276,899	(3,200,067)
Long-term liabilities	214,545,070	181,467,724	33,077,346	31,308,995	31,108,645	200,350	245,854,065	212,576,369	33,277,696
Other liabilities	56,450,472	59,067,581	(2,617,109)	2,067,144	3,791,660	(1,724,516)	58,517,616	62,859,241	(4,341,625)
Total liabilities	270,995,542	240,535,305	30,460,237	33,376,139	34,900,305	(1,524,166)	304,371,681	275,435,610	28,936,071
Deferred inflows of resources	35,319,337	20,328,407	14,990,930	-	-	-	35,319,337	20,328,407	14,990,930
Net invested in capital assets	140,419,778	132,772,750	7,647,028	33,711,893	31,650,038	2,061,855	174,131,671	164,422,788	9,708,883
Restricted	16,118,280	15,331,779	786,501	416,794	3,865,757	(3,448,963)	16,535,074	19,197,536	(2,662,462)
Unrestricted	(39,659,857)	(39,168,344)	(491,513)	5,867,753	2,744,132	3,123,621	(33,792,104)	(36,424,212)	2,632,108
Total net position	\$ 116,878,201	\$ 108,936,185	\$ 7,942,016	\$ 39,996,440	\$ 38,259,927	\$ 1,736,513	\$ 156,874,641	\$ 147,196,112	\$ 9,678,529

Governmental activities: Net position of the Governmental Activities increased by \$7.9 million (prior year, a decrease of \$21.2 million). Fiscal year 2019's increase was due the bond sale of \$42.9 million offset by the debt associated with the sale.

Business-type activities: Business-type Activities increased Calvert County Government's net position by \$1.7 million (prior year, an increase of \$885,814). This result is primarily due to the Water and Sewer Fund increase in net position of \$1.2 million, mostly due to the completion of the water meter replacement project resulting in an increase in revenue. The Solid Waste Fund had an increase in net position of \$498,928, explained by increased service charges revenue.

The following chart reflects the revenues and program expenses for the governmental and the business-type activities and the changes in net position for the year ended June 30:

Calvert County Government Schedule of Activities and Changes in Net Position

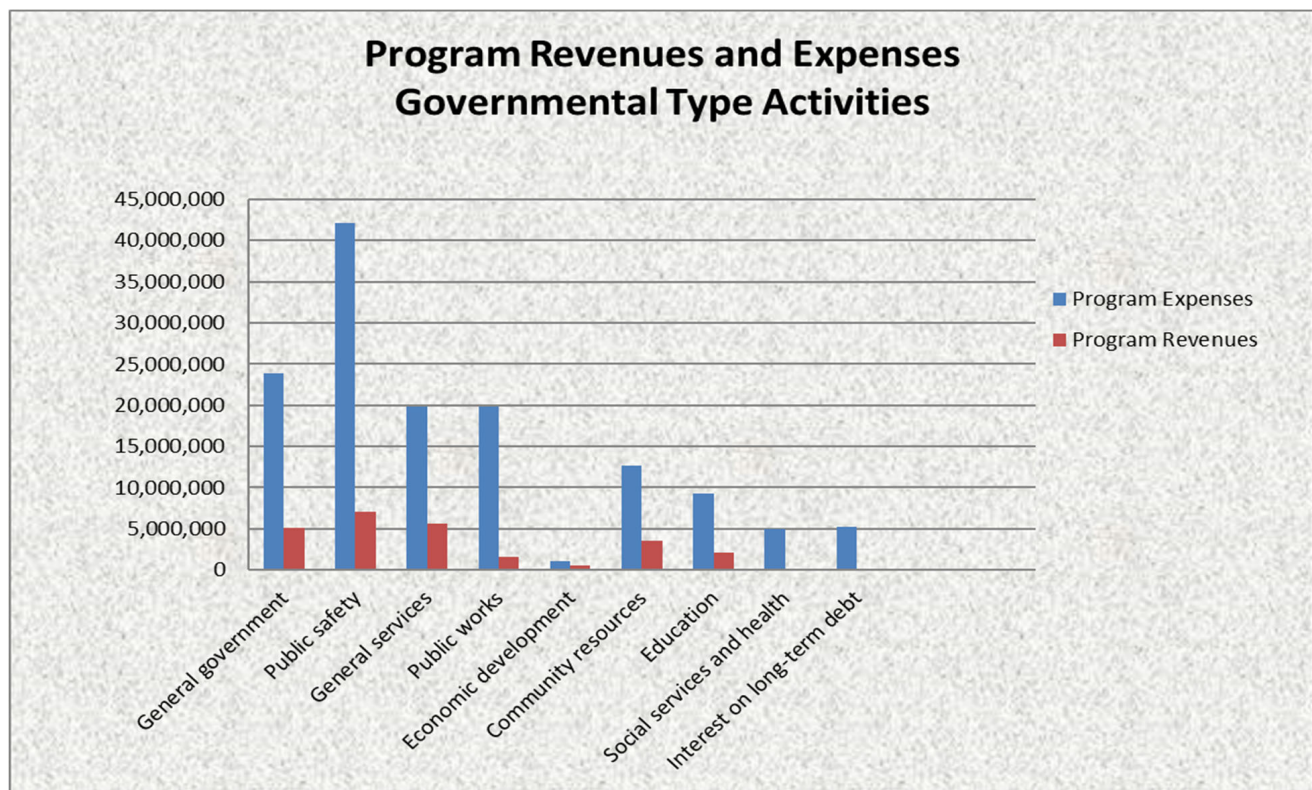
	Governmental Activities			Business-type Activities			Total		
	2019	2018	Difference	2019	2018	Difference	2019	2018	Difference
Revenues									
<u>Program Revenues</u>									
Charges for services	\$ 17,307,556	\$ 18,145,582	\$ (838,026)	\$ 22,666,555	\$ 21,375,111	\$ 1,291,444	\$ 39,974,111	\$ 39,520,693	\$ 453,418
Operating grants and contributions	5,310,191	6,606,400	(1,296,209)	-	-	-	5,310,191	6,606,400	(1,296,209)
Capital grants and contributions	8,390,440	919,531	7,470,909	566,304	351,686	214,618	8,956,744	1,271,217	7,685,527
<u>General Revenues</u>									
Property taxes	188,304,505	176,676,295	11,628,210	-	-	-	188,304,505	176,676,295	11,628,210
Income taxes	70,620,494	90,308,039	(19,687,545)	-	-	-	70,620,494	90,308,039	(19,687,545)
Other taxes	10,741,690	10,631,524	110,166	-	-	-	10,741,690	10,631,524	110,166
Investment earnings	8,422,396	3,294,570	5,127,826	159,857	315,923	(156,066)	8,582,253	3,610,493	4,971,760
Total revenues	309,097,272	306,581,941	2,515,331	23,392,716	22,042,720	1,349,996	332,489,988	328,624,661	3,865,327
Expenses									
<u>Program Expenses</u>									
General government	23,807,478	30,739,945	(6,932,467)	-	-	-	23,807,478	30,739,945	(6,932,467)
Public safety	42,136,984	29,456,415	12,680,569	-	-	-	42,136,984	29,456,415	12,680,569
General services	19,884,896	27,857,214	(7,972,318)	-	-	-	19,884,896	27,857,214	(7,972,318)
Public works	19,817,592	12,214,001	7,603,591	-	-	-	19,817,592	12,214,001	7,603,591
Economic development	1,117,913	889,360	228,553	-	-	-	1,117,913	889,360	228,553
Community resources	12,716,946	11,911,327	805,619	-	-	-	12,716,946	11,911,327	805,619
Education	9,305,257	11,342,121	(2,036,864)	-	-	-	9,305,257	11,342,121	(2,036,864)
Board of education	162,049,330	157,801,856	4,247,474	-	-	-	162,049,330	157,801,856	4,247,474
Social services and health	5,032,427	5,889,072	(856,645)	-	-	-	5,032,427	5,889,072	(856,645)
Interest on long-term debt	5,266,087	4,658,794	607,293	-	-	-	5,266,087	4,658,794	607,293
Water and sewer	-	-	-	9,025,746	9,077,073	(51,327)	9,025,746	9,077,073	(51,327)
Solid waste	-	-	-	12,650,803	12,111,485	539,318	12,650,803	12,111,485	539,318
Total expenses	301,134,910	292,760,105	8,374,805	21,676,549	21,188,558	487,991	322,811,459	313,948,663	8,862,796
Excess (Deficiency) of revenues over expenses	7,962,362	13,821,836	(5,859,474)	1,716,167	854,162	862,005	9,678,529	14,675,998	(4,997,469)
Transfers	(20,346)	(31,652)	11,306	20,346	31,652	(11,306)	-	-	-
Change in net position	7,942,016	13,790,184	(5,848,168)	1,736,513	885,814	850,699	9,678,529	14,675,998	(4,997,469)
Net position - beginning	108,936,185	130,152,366	(21,216,181)	38,259,927	37,374,113	885,814	147,196,112	167,526,479	(20,330,367)
Restatement - GASB 75	-	(35,006,365)	35,006,365	-	-	-	-	(35,006,365)	35,006,365
Net position - ending	\$ 116,878,201	\$ 108,936,185	\$ 7,942,016	\$ 39,996,440	\$ 38,259,927	\$ 1,736,513	\$ 156,874,641	\$ 147,196,112	\$ 9,678,529

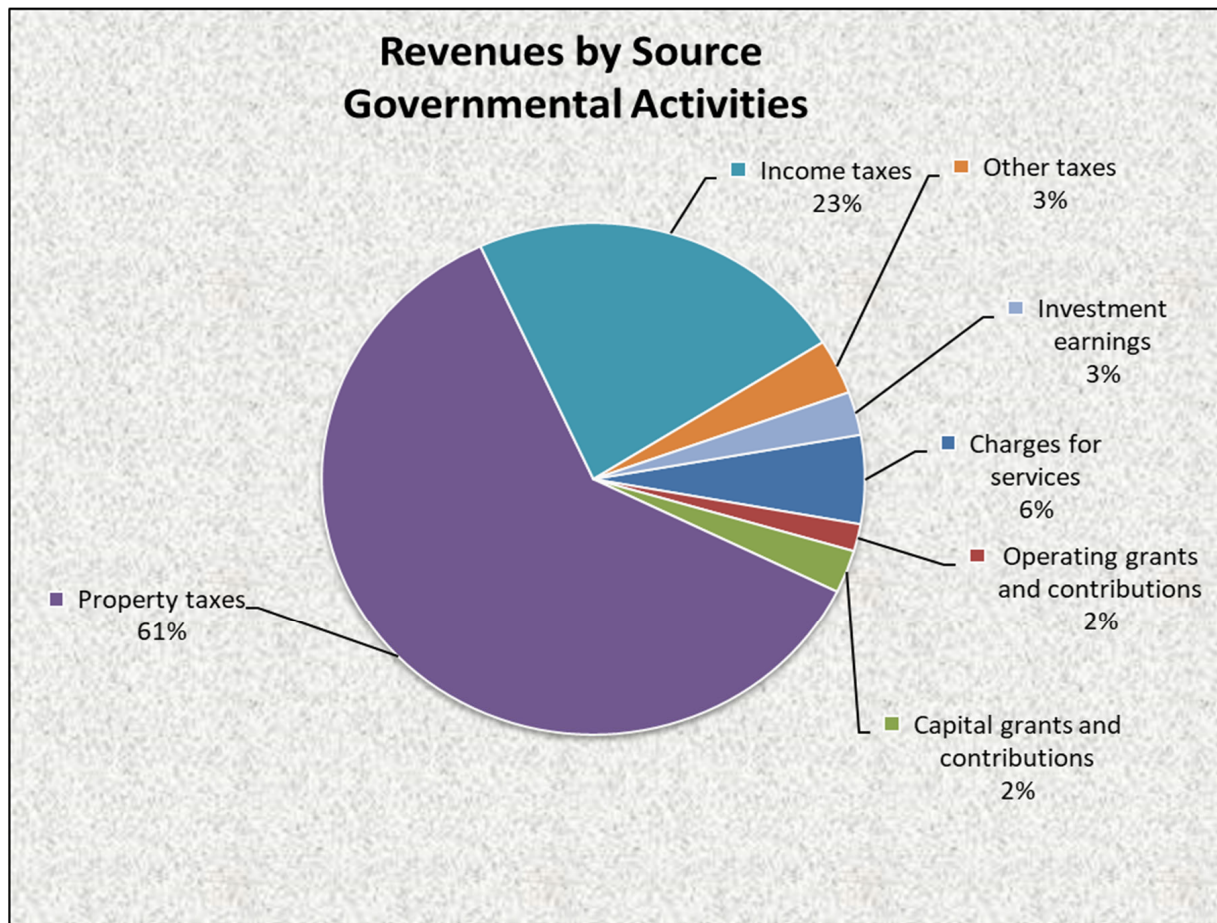
The most significant difference in the revenue section is related to property taxes with an \$11.6 increase this fiscal year. The property tax increase is due to the PILOT program with Dominion.

The significant differences noted in the program expenses section are related to capital expenses for Public Safety and the Board of Education for the two years being compared. Public Safety and Board of Education in the government wide statement expenses recognized \$12.9 million and \$4.3 million, respectively. Public Safety completed three capital projects; the Linda Kelly Animal Shelter building, \$6.4 million, Prince Frederick Volunteer Rescue Squad building, \$3.5 million, and the 800 MHZ system, \$5.3 million. The Board of Education project was for Northern High School replacement, \$6.3 million.

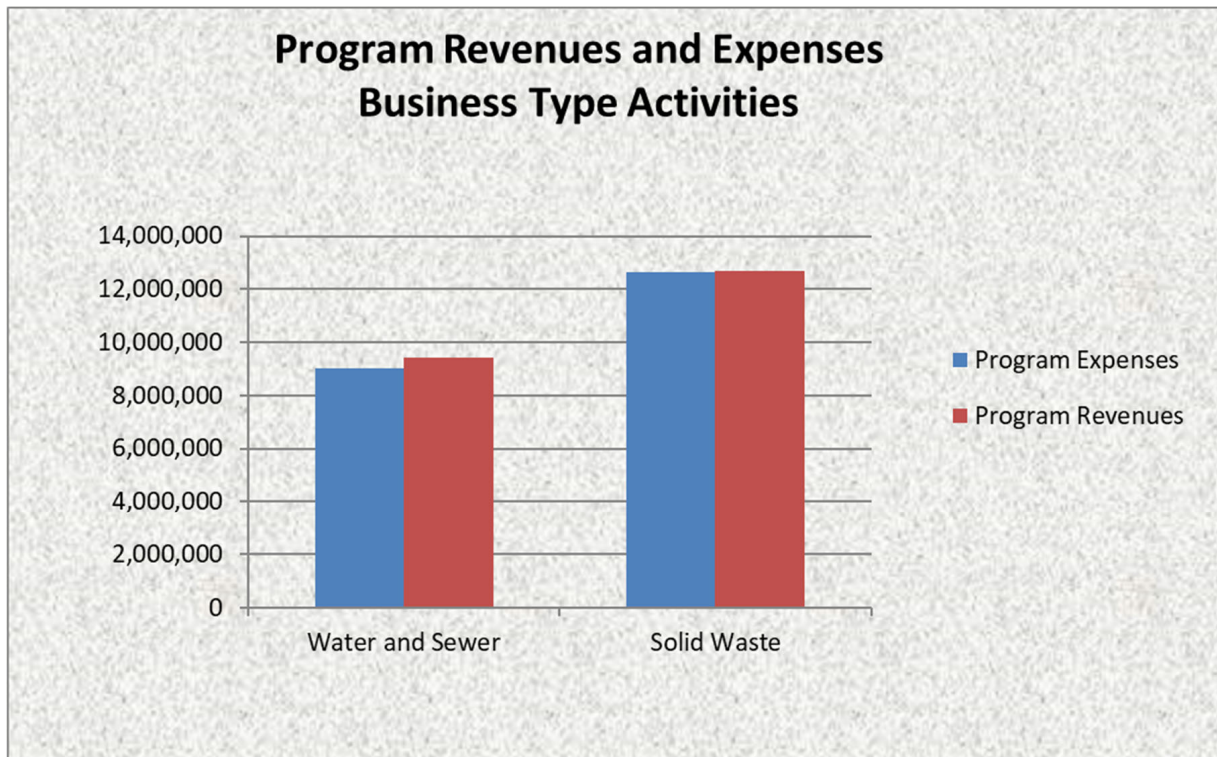
Statement of Activities charts

The next two charts use data from the Statement of Activities that matches governmental program revenues and expenses by function. The operating funding for the Board of Education is not included because at 54 percent of the total program expenses the chart scale no longer functions for comparison purposes:

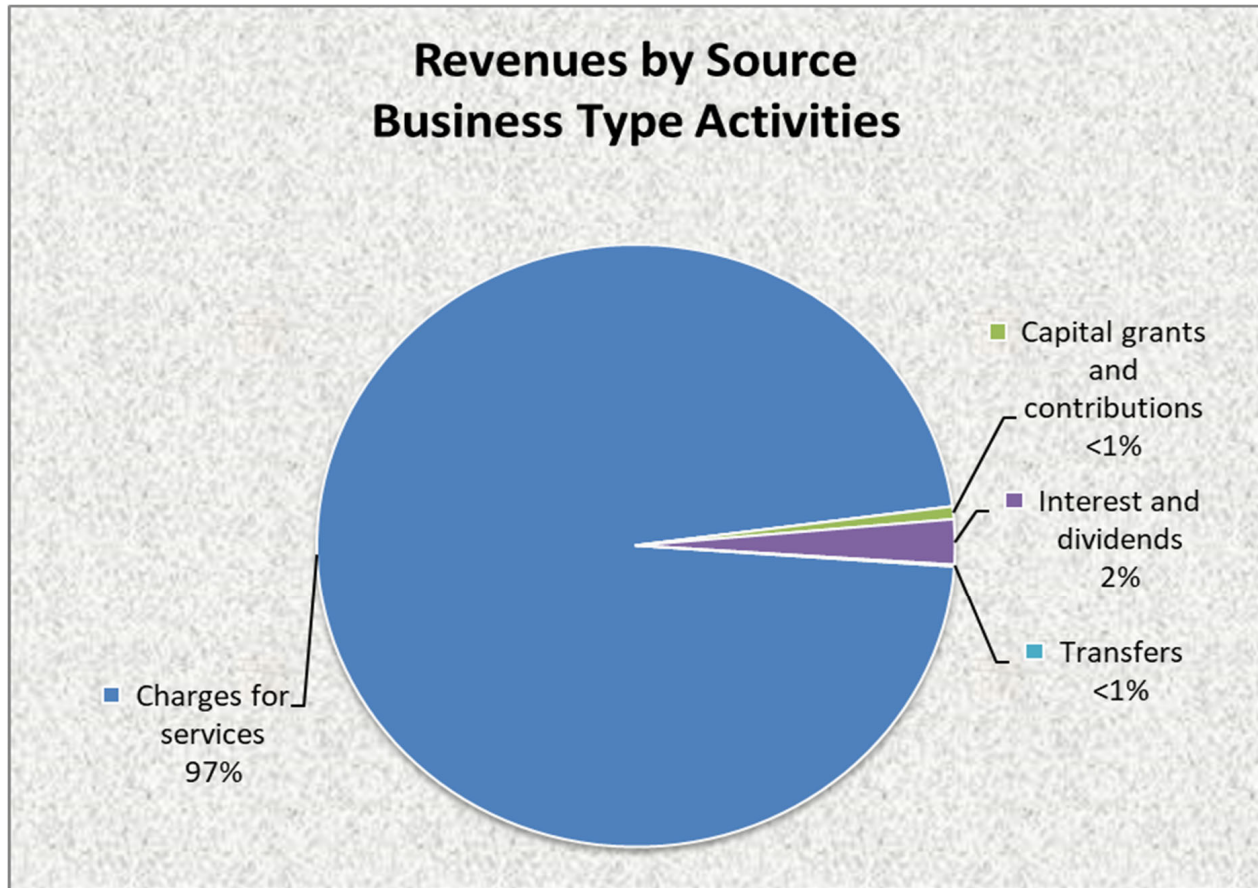




This chart uses the Statement of Activities data to display a comparison of the business-type activities program revenue and expenses:



This chart uses the revenues from the Statement of Activities to display a comparison of the business-type activities revenues by source:



Financial Analysis of the Government's Funds

As noted earlier, Calvert County Government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of Calvert County Government's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Calvert County Government's financing requirements. In particular, *committed, assigned and unassigned fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As reported on the balance sheet of the governmental funds, the total governmental funds combined fund balance is \$135.3 million (prior year, \$95.4 million), an increase of \$39.9 million (prior year, a decrease of \$4.0 million).

Approximately 86.0 percent (prior year, 79.1 percent) of this amount, \$116.4 million (prior year, \$75.4 million) constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the government's discretion. It should be noted that \$94.1 million (prior year, \$43.5 million) of this amount has been *committed or assigned* for certain purposes. The

remainder of fund balance, \$18.9 million or 14.0 percent, is *nonspendable and restricted* to indicate that it is not available for new spending because it has already been dedicated: 1) for inventories, or 2) dedicated for a variety of constrained purposes. Additional details of fund balance are presented in Note 8 within the notes section of these financial statements.

The General Fund is the chief operating fund of Calvert County Government. At the end of the current fiscal year, the assigned and unassigned fund balance of the General Fund was \$27.3 million (prior year, \$23.8 million), while total fund balance was \$69.8 million (prior year, \$62.0 million). As a measure of the General Fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 18.6 percent of the total General Fund budgetary expenditures and other financing uses (prior year, 16.8 percent), while total fund balance represents 23.6 percent (prior year, 21.9 percent) of that same amount.

The fund balance of Calvert County Government's General Fund increased by \$7.8 million (prior year decrease of \$4.0 million). Staff had estimated fiscal year 2019 would have a use of prior year fund balance of \$3.4 million. Many revenue and expense line item variances resulted in the County's budgetary increase of \$4.0 million.

The Capital Projects Fund has a total fund balance of \$49.3 million (prior year, \$18.0 million) of which the balance is committed or assigned for future capital project expenditures. Unspent bond proceeds of \$34.7 million makes up 100 percent of the fund balance reduced by outstanding payables (prior year, \$11.7 million).

Proprietary funds: Calvert County Government's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Overall the net position of the proprietary funds increased by \$1.7 million (prior year, increase of \$885,814). At the end of the year, unrestricted net position of the Water and Sewer Fund amounted to \$6.5 million (prior year, \$3.0 million). The Solid Waste and Recycling Fund reported a negative \$609,611 in unrestricted net position (prior year, a negative \$268,560).

General Fund Budgetary Highlights

The final budget for the General Fund was increased by \$3.9 million over the original budget (prior year, \$6.3 million increase), which was related to emergency road repairs due to record rainfall. Overall expenditures were less than actual revenues by \$4.0 million. There are many variances within the 1,500 budgeted line items of the general fund.

Capital Asset and Debt Administration

Capital assets: Calvert County Government's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to \$269.7 million (prior year, \$257.4 million). This investment in capital assets includes: land, land development rights, construction in progress, buildings, improvements, machinery and equipment, and infrastructure.

Calvert County's Government's Capital Assets
(Net of Depreciation)

	Governmental Activities			Business-type Activities			Total		
	2019	2018	Difference	2019	2018	Difference	2019	2018	Difference
Land	\$ 46,055,981	\$ 43,985,536	\$ 2,070,445	\$ 2,483,591	\$ 2,483,591	\$ -	\$ 48,539,572	\$ 46,469,127	\$ 2,070,445
Land development rights	11,245,305	11,245,305	-	-	-	-	11,245,305	11,245,305	-
Construction in progress	24,821,114	26,506,495	(1,685,381)	5,403,349	4,169,967	1,233,382	30,224,463	30,676,462	(451,999)
Buildings	31,349,198	26,791,400	4,557,798	18,571,492	20,018,708	(1,447,216)	49,920,690	46,810,108	3,110,582
Improvements	25,173,458	21,299,881	3,873,577	18,359,043	17,973,862	385,181	43,532,501	39,273,743	4,258,758
Machinery and equipment	12,216,379	12,395,036	(178,657)	7,317,254	7,278,756	38,498	19,533,633	19,673,792	(140,159)
Infrastructure	66,643,532	63,227,259	3,416,273	-	-	-	66,643,532	63,227,259	3,416,273
Total Capital Assets	<u>\$ 217,504,967</u>	<u>\$ 205,450,912</u>	<u>\$ 12,054,055</u>	<u>\$ 52,134,729</u>	<u>\$ 51,924,884</u>	<u>\$ 209,845</u>	<u>\$ 269,639,696</u>	<u>\$ 257,375,796</u>	<u>\$ 12,263,900</u>

Major capital asset events during the current fiscal year included the following:

- Completed a portion of the Dowell Newton road improvement, \$4.7 million.
- Completed the Linda Kelly Animal Shelter, \$6.2 million.

Additional information on Calvert County's capital assets can be found in Note 6 of this report.

Long-term debt: At the end of the current fiscal year, Calvert County Government had total general obligation debt and notes payable outstanding of \$183.5 million (prior year, \$152.2 million). The full faith and credit and unlimited taxing power of the County are irrevocably pledged to levy and collect taxes in order to provide for the payment of principal and interest due on the debt. Of this amount, \$28.3 million (prior year, \$29.0 million) are considered self-supporting bonds, funded through various surcharges and assessments related to the operation of the water and sewerage, and solid waste and recycling systems. Within the governmental activities are the \$4.2 million (prior year, \$4.5 million) in installment purchase agreements for the land preservation program. The principal amount is supported by US Treasury Strip securities that are owned and maintained in the County's account. Details are available in Note 7.

Calvert County's Government's Outstanding Debt

	Governmental Activities			Business-type Activities			Total		
	2019	2018	Difference	2019	2018	Difference	2019	2018	Difference
General obligation debt	\$ 155,103,366	\$ 123,086,114	\$ 32,017,252	\$ 16,481,192	\$ 16,316,502	\$ 164,690	\$ 171,584,558	\$ 139,402,616	\$ 32,181,942
Notes payable	47,684	52,368	(4,684)	11,967,312	12,732,464	(765,152)	12,014,996	12,784,832	(769,836)
Land preservation program	4,222,910	4,450,340	(227,430)	-	-	-	4,222,910	4,450,340	(227,430)
Total Bonded Debt	<u>\$ 159,373,960</u>	<u>\$ 127,588,822</u>	<u>\$ 31,785,138</u>	<u>\$ 28,448,504</u>	<u>\$ 29,048,966</u>	<u>\$ (600,462)</u>	<u>\$ 187,822,464</u>	<u>\$ 156,637,788</u>	<u>\$ 31,184,676</u>

Calvert County Government's total general obligation bonded debt increased by \$32.2 million, (prior year, an increase of \$11.5 million), or 23.1 percent during the current fiscal year (prior year, an increase of 8.98 percent).

In July 2019 the County's credit ratings were reaffirmed by Standard & Poor's and Fitch and upgraded by Moody's Investors Service, Inc. The current ratings follow:

Standard & Poor's	"AAA"
Fitch Ratings	"AAA"
Moody's Investors Service, Inc.	"Aaa"

In 1990, the County adopted a debt affordability model to ensure that the debt levels are kept at an affordable, manageable, moderate level. A debt policy was adopted in FY 2010 to comply with the State of Maryland's requirement. The guidelines created in 1990 and ratified in the policy,

establish maximum acceptable debt ratios. These ratios and their maximum acceptable levels are: 1) debt to assessed value, 1.8 percent, and 2) debt service as a percent of general fund revenue, 9.5 percent. Using fiscal year 2019 data, the County's current ratios are as follows: debt to assessed value is 1.104 percent and debt service to general fund revenue is 6.8 percent.

Additional information on Calvert County Government's long-term debt can be found in Note 7 of this report.

Economic Factors and Fiscal Year 2019's Budgets and Rates

- The average per-capita personal income of County residents reported by the Maryland Department of Planning for 2017 is \$60,080 (\$58,176 in 2015), an increase of 3.3 percent.
- The average unemployment rate for Calvert County was reported as 3.6 percent for 2017 by the Maryland Department of Labor Licensing and Regulation. This continues an improving trend.
- Real property tax assessments for the central part of the County, reassessed for fiscal year 2019, were increased an average of .0 percent.

All of these factors were considered in preparing the Calvert County Government's budget for the 2020 fiscal year. Calvert County Government's adopted budget for fiscal year 2020 was a balanced budget as a result of the increase in property assessments and an increase in income tax rates. The County projects a surplus budget in fiscal year 2020. These projections include the County's Payment in Lieu of Tax agreement with the Dominion Liquid Natural Gas Exporting facility which was placed in service by the end of calendar year 2017.

Requests for Information

This financial report is designed to provide a general overview of Calvert County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance and Budget, Calvert County Government, 175 Main Street, Prince Frederick, MD 20678.

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

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COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Board of Education	Economic Development Authority
ASSETS					
Cash, cash equivalents and investments	\$ 114,626,076	\$ 956,502	\$ 115,582,578	\$ 26,521,749	\$ 1,842,182
Receivables					
Taxes	10,218,196	-	10,218,196	-	-
Special assessments	1,186,515	-	1,186,515	-	-
Accounts	32,971,752	3,294,126	36,265,878	-	-
Notes	6,512,510	-	6,512,510	-	-
Accrued interest	89,974	16,216	106,190	-	1,410
Other	-	-	-	744,388	-
Due from primary government	-	-	-	12,963,805	450,116
Internal balances	(947,349)	947,349	-	-	-
Due from other governments	21,067	-	21,067	2,438,950	-
Inventory	364,148	33,749	397,897	97,112	-
Restricted assets					
Cash	34,568,392	16,644,447	51,212,839	-	-
Capital assets not being depreciated	82,122,400	7,886,940	90,009,340	12,079,021	22,191
Depreciable capital assets - net	135,382,567	44,247,789	179,630,356	258,345,950	-
Total assets	417,116,248	74,027,118	491,143,366	313,190,975	2,315,899
Deferred Outflows of Resources					
Pension	3,121,082	-	3,121,082	3,784,300	-
OPEB	2,955,750	-	2,955,750	12,199,228	-
Total outflows of resources	6,076,832	-	6,076,832	15,983,528	-
LIABILITIES					
Accounts payable	3,700,719	282,427	3,983,146	3,151,442	-
Accrued liabilities	12,296,193	1,317,005	13,613,198	15,222,681	-
Due to other governments	6,042,050	92,683	6,134,733	-	-
Due to component units	13,411,266	-	13,411,266	-	-
Unearned revenue	3,899,857	-	3,899,857	6,116,895	-
Noncurrent liabilities:					
Due within one year:					
Compensated absences, current portion	1,646,221	66,586	1,712,807	155,922	-
Long-term debt, current portion	15,424,166	1,635,010	17,059,176	-	-
Estimated postclosure costs, current portion	30,000	54,053	84,053	-	-
Due in more than one year:					
Net pension liability	20,275,874	-	20,275,874	13,413,936	-
Net OPEB liability	40,093,558	-	40,093,558	118,589,489	-
Compensated absences, net of current portion	10,015,844	593,776	10,609,620	3,788,702	-
Long-term debt, net of current portion	143,949,794	26,813,494	170,763,288	-	-
Estimated postclosure costs, net of current portion	210,000	3,175,644	3,385,644	-	-
Total liabilities	270,995,542	34,030,678	305,026,220	160,439,067	-
Deferred Inflows of Resources					
Pension	15,396,024	-	15,396,024	2,615,488	-
OPEB	18,977,502	-	18,977,502	4,993,648	-
Deferred gain on refunding	945,811	-	945,811	-	-
Total inflows of resources	35,319,337	-	35,319,337	7,609,136	-
NET POSITION					
Net investment in capital assets	140,419,778	33,711,893	174,131,671	270,424,971	22,191
<u>Restricted for</u>					
Parks and recreation	2,598,249	-	2,598,249	-	-
Planning and zoning	39,583	-	39,583	-	-
Bar library	44,276	-	44,276	-	-
Revolving loan	312,100	-	312,100	-	-
Economic Development Authority revolving loan	299,355	-	299,355	-	-
Grants	249,945	-	249,945	1,333,476	-
Economic Development incentive	314,738	-	314,738	-	-
Excise tax	4,325,473	-	4,325,473	-	-
Land preservation	7,916,835	-	7,916,835	-	-
Board of Library trustees	17,726	-	17,726	-	-
Restricted for capital connections	-	416,794	416,794	-	-
Unrestricted	(39,659,857)	5,867,753	(33,792,104)	(110,632,147)	2,293,708
Total net position	\$ 116,878,201	\$ 39,996,440	\$ 156,874,641	\$ 161,126,300	\$ 2,315,899

The accompanying notes to the financial statements are an integral part of this statement.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 23,807,478	\$ 1,244,512	\$ 1,012,333	\$ -
Public safety	42,136,984	6,758,136	986,887	600,000
General services	19,884,896	4,000,693	432,534	7,790,440
Public works	19,817,592	3,438,319	-	-
Economic development	1,117,913	586,599	-	-
Community resources	12,716,946	1,273,003	2,286,412	-
Education	171,354,587	-	592,025	-
Social services and health	5,032,427	-	-	-
Interest on long-term debt	5,266,087	6,294	-	-
Total governmental activities	301,134,910	17,307,556	5,310,191	8,390,440
Business-Type activities:				
Water and sewer	9,025,746	9,584,903	-	159,857
Solid waste and recycling	12,650,803	13,081,652	-	-
Total business-type activities	21,676,549	22,666,555	-	159,857
Total primary government	\$ 322,811,459	\$ 39,974,111	\$ 5,310,191	\$ 8,550,297
Component Units:				
Board of Education	\$ 258,159,751	\$ 1,128,501	\$ 29,099,346	\$ 11,608,514
Economic Development Authority	242	-	-	-
Total component units	\$ 258,159,993	\$ 1,128,501	\$ 29,099,346	\$ 11,608,514

General Revenues:

Property taxes
 Income taxes
 Recordation taxes
 Admission and amusement taxes
 Franchise taxes
 Other miscellaneous taxes
 Interest and dividends
 Unrestricted local appropriations, state and federal aid
 Transfers
 Total general revenues and transfers
 Change in net position
 Net position - beginning
 Net position - ending

The accompanying notes to the financial statements are an integral part of this statement.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Board of Education	Economic Development Authority
(21,550,633)	\$ -	\$ (21,550,633)	\$ -	\$ -
(33,791,961)	-	(33,791,961)	-	-
(7,661,229)	-	(7,661,229)	-	-
(16,379,273)	-	(16,379,273)	-	-
(531,314)	-	(531,314)	-	-
(9,157,531)	-	(9,157,531)	-	-
(170,762,562)	-	(170,762,562)	-	-
(5,032,427)	-	(5,032,427)	-	-
(5,259,793)	-	(5,259,793)	-	-
(270,126,723)	-	(270,126,723)	-	-
-	719,014	719,014	-	-
-	430,849	430,849	-	-
-	1,149,863	1,149,863	-	-
(270,126,723)	\$ 1,149,863	\$ (268,976,860)	\$ -	\$ -
-	\$ -	\$ -	\$ (216,323,390)	\$ -
-	-	-	-	(242)
-	\$ -	\$ -	\$ (216,323,390)	\$ (242)
188,304,505	\$ -	\$ 188,304,505	\$ -	\$ -
70,620,494	-	70,620,494	-	-
9,014,787	-	9,014,787	-	-
23,566	-	23,566	-	-
1,599,918	-	1,599,918	-	-
103,419	-	103,419	-	-
8,422,396	566,304	8,988,700	183,390	39,764
-	-	-	230,519,780	-
(20,346)	20,346	-	-	-
278,068,739	586,650	278,655,389	230,703,170	39,764
7,942,016	1,736,513	9,678,529	14,379,780	39,522
108,936,185	38,259,927	147,196,112	146,746,520	2,276,377
\$ 116,878,201	\$ 39,996,440	\$ 156,874,641	\$ 161,126,300	\$ 2,315,899

The accompanying notes to the financial statements are an integral part of this statement.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash, cash equivalents and investments	\$ 108,039,089	\$ -	\$ 6,586,987	\$ 114,626,076
Receivables:				
Taxes	7,730,679	-	2,487,517	10,218,196
Special assessments	1,186,515	-	-	1,186,515
Accounts	31,672,149	45,915	1,253,688	32,971,752
Notes	6,220,153	-	292,357	6,512,510
Accrued interest	9,690	80,284	-	89,974
Due from other funds	2,047,489	16,080,972	11,276,835	29,405,296
Due from other governments	21,067	-	-	21,067
Inventory/Prepays	297,844	-	66,304	364,148
Restricted assets				
Cash and investments	-	34,568,392	-	34,568,392
Total assets	<u>\$ 157,224,675</u>	<u>\$ 50,775,563</u>	<u>\$ 21,963,688</u>	<u>\$ 229,963,926</u>
LIABILITIES				
Accounts payable	1,449,760	323,753	1,927,206	3,700,719
Notes payable	-	-	-	-
Accrued liabilities	9,898,142	-	-	9,898,142
Due to other funds	30,334,300	-	18,345	30,352,645
Due to component units	12,300,116	1,111,150	-	13,411,266
Due to other governments	6,042,050	-	-	6,042,050
Unearned revenue	-	-	3,899,857	3,899,857
Total liabilities	<u>60,024,368</u>	<u>1,434,903</u>	<u>5,845,408</u>	<u>67,304,679</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	<u>27,398,083</u>	<u>-</u>	<u>-</u>	<u>27,398,083</u>
FUND BALANCE (DEFICITS)				
Nonspendable	9,587,329	-	66,304	9,653,633
Restricted	-	-	9,249,697	9,249,697
Committed	32,922,611	-	5,029,208	37,951,819
Assigned	5,000,000	49,340,660	1,773,071	56,113,731
Unassigned	22,292,284	-	-	22,292,284
Total fund balances	<u>69,802,224</u>	<u>49,340,660</u>	<u>16,118,280</u>	<u>135,261,164</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 157,224,675</u>	<u>\$ 50,775,563</u>	<u>\$ 21,963,688</u>	<u>\$ 229,963,926</u>
Fund balance (as reported above)				135,261,164
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				217,504,967
Some of the County's revenues are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the fund.				27,398,083
Long term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.				(171,276,025)
Net OPEB liability is not due and payable in the current period, and, therefore, are not reported in the funds.				(40,093,558)
Net pension asset/liabilities are not due and payable in the current period, and, therefore, are not reported in the funds.				(20,275,874)
Deferred outflows of resources related to pensions				3,121,082
Deferred outflows of resources related to OPEB				2,955,750
Deferred gain on refunding				(945,811)
Deferred inflows of resources related to pensions				(15,396,024)
Deferred inflows of resources related to OPEB				(18,977,502)
Accrued interest on long-term liabilities, including bonds payable are not reported in the funds.				(2,398,051)
Net position of governmental activities				<u>\$ 116,878,201</u>

The accompanying notes to the financial statements are an integral part of this statement.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 286,302,925	\$ -	\$ 2,685,300	\$ 288,988,225
Licenses and permits	335,646	-	-	335,646
Intergovernmental	3,902,762	3,835,360	5,547,096	13,285,218
Charges for services	5,313,661	-	1,762,582	7,076,243
Fines and forfeitures	405,041	-	60,657	465,698
Miscellaneous revenue	3,339,483	4,256,445	2,716,908	10,312,836
Total revenues	<u>299,599,518</u>	<u>8,091,805</u>	<u>12,772,543</u>	<u>320,463,866</u>
EXPENDITURES				
General government	18,948,931	-	896,544	19,845,475
Public safety	36,727,583	-	-	36,727,583
General services	11,277,556	-	7,694,507	18,972,063
Public works	11,800,446	-	-	11,800,446
Economic development	771,596	-	-	771,596
Community resources	2,123,970	-	6,965,136	9,089,106
Education	131,014,609	-	5,032,655	136,047,264
Social services and health	4,124,716	-	-	4,124,716
Pensions and insurance	35,267,192	-	-	35,267,192
Capital projects	-	36,353,413	-	36,353,413
Debt service				
Principal payments	15,533,117	-	-	15,533,117
Interest payments	4,752,870	-	-	4,752,870
Total expenditures	<u>272,342,586</u>	<u>36,353,413</u>	<u>20,588,842</u>	<u>329,284,841</u>
Excess (deficiency) of revenues over expenditures	<u>27,256,932</u>	<u>(28,261,608)</u>	<u>(7,816,299)</u>	<u>(8,820,975)</u>
OTHER FINANCING SOURCES (USES)				
Bond issuance	-	42,900,000	-	42,900,000
Premium on bonds issued	-	5,848,954	-	5,848,954
Transfers in - other	34,500	10,868,851	11,215,000	22,118,351
Transfers out - other	(19,491,997)	(34,500)	(2,612,200)	(22,138,697)
Total other financing sources (uses)	<u>(19,457,497)</u>	<u>59,583,305</u>	<u>8,602,800</u>	<u>48,728,608</u>
 Net change in fund balance	 7,799,435	 31,321,697	 786,501	 39,907,633
Fund balance at beginning of year	<u>62,002,789</u>	<u>18,018,963</u>	<u>15,331,779</u>	<u>95,353,531</u>
Fund balance at end of year	<u><u>\$ 69,802,224</u></u>	<u><u>\$ 49,340,660</u></u>	<u><u>\$ 16,118,280</u></u>	<u><u>\$ 135,261,164</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 39,907,633
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	26,307,135	
Depreciation	<u>(14,253,080)</u>	12,054,055

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,835,704
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The issuance of long-term debt (i.e. bonds, leases, installment purchase agreements) proceeds provide current financial resources to government funds, while the repayment of the principal of the long-term debt consumes the current financial resources of government funds.

Compensated absences	1,233,992	
Change in landfill postclosure liabilities	30,000	
Bond Proceeds	(42,900,000)	
Premium on Bond Proceeds	(5,848,954)	
Principal payments	<u>15,533,116</u>	(31,951,846)
Changes in long-term debt		

Governmental funds report County pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employer contributions is reported as pension expense.	(14,787,085)
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Governmental funds report County OPEB contributions as expenditures. However in the Statement of Activities, the cost of OPEB benefits earned net of employer contributions is reported as OPEB expense.	396,772
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest	<u>(513,217)</u>
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Change in net position of governmental activities	<u><u>\$ 7,942,016</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Original	Budget Final	Actual	Variance (Over) Under
REVENUES				
Taxes	\$ 285,862,437	\$ 285,346,565	\$ 286,302,925	\$ 956,360
Licenses and permits	305,107	299,400	335,646	36,246
Intergovernmental	4,484,211	4,407,089	4,384,542	(22,547)
Charges for services	4,502,824	5,184,521	5,382,133	197,612
Fines and forfeitures	327,650	352,075	431,112	79,037
Miscellaneous	841,769	4,615,837	3,122,349	(1,493,488)
Total revenues	296,323,998	300,205,487	299,958,707	(246,780)
EXPENDITURES				
General government	20,807,195	20,372,606	18,926,804	1,445,802
Public safety	37,259,554	37,973,834	37,276,270	697,564
General services	15,532,068	15,988,582	14,753,890	1,234,692
Public works	13,030,503	14,364,876	13,981,617	383,259
Economic development	883,107	904,494	742,887	161,607
Community resources	2,277,778	2,277,778	2,141,986	135,792
Education	135,686,627	135,685,514	135,672,923	12,591
Social services and health	4,549,693	4,554,952	4,499,415	55,537
Pensions and insurance	36,816,099	36,358,094	35,268,562	1,089,532
<u>Debt service</u>				
Principal retirement	15,533,689	15,533,688	15,533,117	571
Interest	4,846,348	4,846,348	4,752,870	93,478
Total expenditures	287,222,661	288,860,766	283,550,341	5,310,425
Excess (deficiency) of revenues over expenditures	9,101,337	11,344,721	16,408,366	5,063,645
OTHER FINANCING SOURCES (USES)				
Transfers in	1,217,134	1,264,372	251,634	(1,012,738)
Transfers out	(10,318,471)	(12,609,093)	(12,670,597)	(61,504)
Total other financing sources (uses)	(9,101,337)	(11,344,721)	(12,418,963)	(1,074,242)
Net change in fund balance	-	-	3,989,403	3,989,403
Fund balance - beginning	57,038,332	57,038,332	57,038,332	-
Fund balance - ending	\$ 57,038,332	\$ 57,038,332	\$ 61,027,735	\$ 3,989,403

A reconciliation of the revenue and expenditures of the general fund to present the combined statement of revenue and expenditures on a GAAP basis follows:

Revenue and transfers in (budgetary basis)	\$ 300,210,341
Transfer adjustment (Library)	(576,323)
Revenue and transfers in (GAAP basis)	<u>\$ 299,634,018</u>
Expenditures and operating transfers out (budgetary basis)	\$ 296,220,938
Encumbrance/accrual adjustment	(3,810,032)
Transfer adjustment (Library)	(576,323)
Expenditures and operating transfers out (GAAP basis)	<u>\$ 291,834,583</u>

The accompanying notes to the financial statements are an integral part of this statement.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Water and Sewer Fund	Solid Waste and Recycling Fund	Total
ASSETS			
<u>Current assets:</u>			
Cash and cash equivalents	\$ 955,137	\$ 1,365	\$ 956,502
Total cash, cash equivalents and investments	955,137	1,365	956,502
Accounts receivable	2,134,235	1,159,891	3,294,126
Accrued interest receivable	12,690	3,526	16,216
Due from other funds	-	2,976,493	2,976,493
Prepaid expenses	-	-	-
Inventory	33,749	-	33,749
Total current assets	3,135,811	4,141,275	7,277,086
<u>Non-current assets:</u>			
Restricted assets			
Cash and investments	14,647,508	1,996,939	16,644,447
Capital assets not being depreciated	6,235,900	1,651,040	7,886,940
Depreciable capital assets - net	36,256,234	7,991,555	44,247,789
Total non-current assets	57,139,642	11,639,534	68,779,176
Total assets	60,275,453	15,780,809	76,056,262
Deferred Outflows of Resources			
Deferred loss on refunding	-	-	-
Total assets and deferred outflows	60,275,453	15,780,809	76,056,262
LIABILITIES			
<u>Current liabilities:</u>			
Vouchers and accounts payable	218,880	63,547	282,427
Accrued liabilities	403,175	913,830	1,317,005
Due to other funds	2,029,144	-	2,029,144
Due to other governments	92,683	-	92,683
Compensated absences, current portion	20,000	46,586	66,586
Estimated post closure costs, current portion	-	54,053	54,053
Long-term debt, current portion	1,427,058	207,952	1,635,010
Total current liabilities	4,190,940	1,285,968	5,476,908
<u>Noncurrent liabilities:</u>			
Compensated absences, net of current portion	235,394	358,382	593,776
Estimated post closure costs, net of current portion	-	3,175,644	3,175,644
Long-term debt, net of current portion	24,312,934	2,500,560	26,813,494
Total liabilities	28,739,268	7,320,554	36,059,822
NET POSITION			
Net investment in capital assets	24,642,027	9,069,866	33,711,893
Restricted capital connection	416,794	-	416,794
Unrestricted	6,477,364	(609,611)	5,867,753
Total net position	\$ 31,536,185	\$ 8,460,255	\$ 39,996,440

The accompanying notes to the financial statements are an integral part of this statement.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Water and Sewer Fund	Solid Waste and Recycling Fund	Total
<u>Operating revenues:</u>			
Charges for services	\$ 8,411,059	\$ 12,977,174	\$ 21,388,233
<u>Operating expenses:</u>			
Salaries & benefits	2,923,026	3,251,254	6,174,280
Contracted services	1,141,757	8,252,120	9,393,877
Supplies	303,412	205,646	509,058
Heat, light and power	632,313	45,210	677,523
Depreciation	2,711,371	494,322	3,205,693
Miscellaneous	99,825	12,045	111,870
Telephone	30,339	11,578	41,917
Compensated absences	49,049	27,523	76,572
Maintenance and repairs	558,429	238,904	797,333
Capital outlay	38,071	23,070	61,141
Total operating expenses	<u>8,487,592</u>	<u>12,561,672</u>	<u>21,049,264</u>
Operating income (loss)	<u>(76,533)</u>	<u>415,502</u>	<u>338,969</u>
<u>Non-operating revenues (expenses):</u>			
Miscellaneous income	142,148	75,728	217,876
Tower revenue	157,196	28,750	185,946
Investment income	489,257	77,047	566,304
Interest expense	<u>(538,154)</u>	<u>(89,131)</u>	<u>(627,285)</u>
Total non-operating revenues (expenses)	<u>250,447</u>	<u>92,394</u>	<u>342,841</u>
Income (loss) before contributions and transfers	173,914	507,896	681,810
Transfers in (out)	29,314	(8,968)	20,346
Capital connection charges	874,500	-	874,500
Developer contribution	<u>159,857</u>	<u>-</u>	<u>159,857</u>
Change in net position	1,237,585	498,928	1,736,513
Total net position - beginning	<u>30,298,600</u>	<u>7,961,327</u>	<u>38,259,927</u>
Total net position - ending	<u>\$ 31,536,185</u>	<u>\$ 8,460,255</u>	<u>\$ 39,996,440</u>

The accompanying notes to the financial statements are an integral part of this statement.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Water and Sewer Fund	Solid Waste and Recycling Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 9,194,733	\$ 12,716,376	\$ 21,911,109
Tower revenue	157,196	28,750	185,946
Other Receipts	111,776	75,728	187,504
Payments to suppliers	(5,503,904)	(12,678,911)	(18,182,815)
Payments to employees	124,736	118,249	242,985
Receipts from other funds	(869,973)	1,098,151	228,178
Net cash provided by (used in) operating activities	<u>3,214,564</u>	<u>1,358,343</u>	<u>4,572,907</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers (to)/ from other funds	29,314	20,346	49,660
Net cash provided by (used in) non-capital financing activities	<u>29,314</u>	<u>20,346</u>	<u>49,660</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to capital assets and construction-in-progress	(2,340,284)	(1,075,254)	(3,415,538)
Proceeds from issuance of long term debt	554,437	-	554,437
Capital connection fees received	874,500	-	874,500
Developer contribution	159,857	-	159,857
Grants from State Government	-	-	-
Principal paid on long-term obligations	(694,091)	(207,307)	(901,398)
Interest paid on long-term obligations	(493,390)	(90,308)	(583,698)
Net cash provided by (used in) capital and related financing activities	<u>(1,938,971)</u>	<u>(1,372,869)</u>	<u>(3,311,840)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on deposits	442,905	61,773	504,678
Purchase of investments	(1,030,755)	(38,427)	(1,069,182)
Net cash provided by (used in) investing activities	<u>(587,850)</u>	<u>23,346</u>	<u>(564,504)</u>
Increase (decrease) in cash and cash equivalents	717,057	(148)	716,909
Cash and cash equivalents, beginning of year	238,080	1,513	239,593
Cash and cash equivalents, end of year	<u>\$ 955,137</u>	<u>\$ 1,365</u>	<u>\$ 956,502</u>
PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Adjustments to reconcile operating income (loss) to	\$ (76,533)	\$ 415,502	\$ 338,969
<u>Net cash provided by (used in) operating activities</u>			
Depreciation	2,711,371	494,322	3,205,693
Landfill closure costs and other	-	54,053	54,053
Tower revenue	157,196	28,750	185,946
Other Receipts	120,719	75,728	196,447
<u>Changes in assets and liabilities</u>			
Inventory	103,278	-	103,278
Accounts receivable	774,732	(260,796)	513,936
Due from other funds	-	1,098,151	1,098,151
Accounts payable	207,465	(407,360)	(199,895)
Accrued expenses	86,309	(140,007)	(53,698)
Due to other funds	(869,973)	-	(869,973)
Net cash provided by (used in) operating activities	<u>\$ 3,214,564</u>	<u>\$ 1,358,343</u>	<u>\$ 4,572,907</u>
Reconciliation of cash and cash equivalents to the balance sheet:			
Cash and investments, unrestricted	\$ 955,137	\$ 1,365	\$ 956,502
Cash and investments, restricted	14,647,508	1,996,939	16,644,447
	<u>15,602,645</u>	<u>1,998,304</u>	<u>17,600,949</u>
Less - noncash equivalent investments	14,647,508	1,996,939	16,644,447
Cash and cash equivalents	<u>\$ 955,137</u>	<u>\$ 1,365</u>	<u>\$ 956,502</u>

The accompanying notes to the financial statements are an integral part of this statement.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Pension (and Other Post Employee Benefits) Trust Funds (1)	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 14,443,054	\$ 95,902
Investments:		
Fixed income	60,472,893	-
Common stocks	57,352,999	-
Equity funds	96,180,148	-
Foreign assets	33,472,622	-
Other assets	22,556,211	-
Total investments	270,034,873	-
Receivables and prepaid expenses:		
Accounts receivables	-	7,377
Investment income receivables	106,191	-
Total receivables	106,191	7,377
Total assets	284,584,118	103,279
LIABILITIES		
Payables:		
Accounts payable	125,021	107,716
Due to local government	21,067	-
Total liabilities	146,088	\$ 107,716
NET POSITION		
Restricted for:		
Volunteer fire and rescue pension fund	4,174,313	
Sheriff's pension fund	94,041,733	
Employee's retirement fund	81,211,903	
OPEB	105,010,081	
Total net position	\$ 284,438,030	

(1) OPEB net position includes the Board of Education, \$78,473,689.

The accompanying notes to the financial statements are an integral part to this statement.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Pension (and Other Post Employee Benefits) Trust Funds
ADDITIONS	
Contributions:	
Employer contributions	\$ 18,099,499
Member contributions	1,182,484
Prior service contributions	-
Total contributions	<u>19,281,983</u>
Investment income (loss):	
Interest and dividends	16,425,448
Appreciation/(depreciation) of investments	3,061,754
Capital gains/(loss)	(8,501,432)
Less investment expenses:	
Direct investment expense	<u>(1,390,369)</u>
Net investment income (loss)	<u>9,595,401</u>
Total additions	<u>28,877,384</u>
DEDUCTIONS	
Distributions to participants	<u>8,285,150</u>
Total deductions	<u>8,285,150</u>
Net increase (decrease) in fiduciary net position	20,592,234
NET POSITION RESTRICTED FOR PENSIONS	
Net position - beginning	<u>263,845,796</u>
Net position - ending	<u><u>\$ 284,438,030</u></u>

The accompanying notes to the financial statements are an integral part to this statement.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies

Calvert County (the County), was established as one of the original counties of the Maryland colony in 1654. The County is governed by a board of five Commissioners. One Commissioner is elected from each of the three districts and two are elected at large. All serve four-year terms. This board assumes responsibilities conferred upon them by the Maryland General Assembly and provides the following services: public safety, public improvements, health and social services, sanitation, recreation and culture, education, economic development and general administrative services. The basic financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units as prescribed by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

The accompanying financial statements include various agencies, department organizations and offices which are legally part of Calvert County (the Primary Government) and the County's component units. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. It is financially accountable to the Primary Government or has relationship with the County such that exclusion would cause the County's financial statements to be misleading or incomplete. For the discretely presented component unit the potential exists for a financial burden or benefit to be imposed on the County as a result of the existence of the component unit.

Discretely Presented Component Units

Board of Education of Calvert County Public Schools - The Board of Education of Calvert County Public Schools (the Board) is responsible for elementary and secondary education within the County. The Board is fiscally dependent upon the County because the Commissioners are responsible for approving the Board's annual appropriations in the budget. In addition, the Commissioners are responsible for levying taxes and collecting and distributing the funds to the Board and the County issues bonds to finance school system construction projects. Complete financial statements of the Board may be obtained at the entity's administrative offices located at 1305 Dares Beach Road, Prince Frederick, Maryland, 20678.

Economic Development Authority of Calvert County - The Economic Development Authority of Calvert County (the Authority) was established in 1969, for the purpose of acquiring, constructing, developing, improving, operating, and managing an industrial park within the County and to enlarge economic development opportunities for the preservation and betterment of the economy of Calvert County. The members of the Board of the Authority are appointed by the Commissioners and financially dependent upon the County. The Authority provides services which exclusively benefit the County and County employees perform all of the Authority's services. The Economic Development Authority of Calvert County does not issue separate financial statements, so their statements are included in this document on pages 100 and 101.

The Calvert County Housing Authority, the Volunteer Fire and Rescue Squads, the Calvert County Fair, Inc., and the Calvert County Soil Conservation District have been excluded from the basic financial statements on the basis that these entities are not controlled by or financially dependent upon the County.

**CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the County as a whole. These statements include the financial activities of the Primary Government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental, normally supported by taxes and intergovernmental revenues, and those that are considered business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the Primary Government is reported separately from the component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The basic financial statements are divided into three categories: government-wide financial statements, fund financial statements, and budgetary statements. The measurement focus, bases of accounting and presentation of these categories is discussed below.

Measurement Focus and Basis of Accounting

The Government-wide financial statements measure and report all assets (both financial and capital), liabilities, revenues, expenses, gains and losses using the *economic resources* measurement focus and the *accrual basis* of accounting, as do the Proprietary funds and Pension and Other Post Employment Benefit Trust funds statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental funds are accounted for using a *current financial resources* measurement focus and are reported using the *modified accrual* basis of accounting. Revenues are recognized in the accounting period in which the revenues are measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. For the County's purposes, the period of availability is considered to be 60 days after year end. Revenues considered susceptible to accrual are grants, delinquent property taxes, income taxes and interest on investments.

In governmental funds expenditures are generally recorded when incurred; however, expenditures for debt service, compensated absences, and claims and judgments are recorded when payments are due. General County capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of the County's general long-term debt are reported as other financing sources.

The Agency Funds have no measurement focus since these funds only report assets and liabilities. Agency Funds use the *accrual basis* of accounting.

**CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Financial Statement Presentation

Fund financial statements report detailed information about the County. Governmental and Proprietary fund financial statement presentation focuses on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the Primary Government. All financial resources are accounted for in this fund except those required to be accounted for in another fund. The General Fund is a major fund.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities of the County. The Capital Projects Fund is a major fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes. The special revenue funds include the Parks and Recreation Fund, Chesapeake Hills Golf Course, Calvert Marine Museum, Planning and Zoning Special Revenue Fund, Bar Library Fund, Revolving Loan Fund, Economic Development Authority Revolving Loan Fund, Calvert County Family Network, Grants Fund, Economic Development Incentive Fund, Excise Tax Fund, the Land Preservation Fund, and the Board of Library Trustees for Calvert County (the Library). None of these special revenue funds are major funds.

Proprietary Fund Type

Enterprise Funds - Enterprise funds are used to report activities for which a fee is charged to external users for goods or services. Enterprise funds herein include the operations of the Water and Sewer Fund and the Solid Waste and Recycling Fund.

Fiduciary Fund Types

Trust Funds - The County maintains pension trust funds to account for the Volunteer Fire Departments and Rescue Squads Pension Plan, the Calvert County Sheriff's Department Pension Plan, the Calvert County Employees Retirement Plan and the Calvert County Maryland Post-Employment Benefits Plan.

Agency Funds - The Tax Redemption Fund is an agency fund used to account for tax payments made by delinquent property owners to redeem tax certificates held by third parties. These funds are held by the County in a trustee capacity.

Net Position

The government-wide and business-type fund financial statements utilize net position presentation. Net position is presented in three components – net investment in capital assets, restricted and unrestricted.

1. Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of these assets.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

2. Restricted - This component consists of assets that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.
3. Unrestricted - This component consists of assets that do not meet the definition of “net investment in capital assets” and restricted.

Significant Accounting Policies

The following is a summary of the more significant accounting policies applied to elements in the County’s basic financial statements:

Internal Activity - Calvert County has minimal activity between governmental and business-type activities. However, to avoid double counting of internal activities, the effect of internal transactions and balances has been eliminated from the financial statement, unless, the interfund services provided and used then they are not eliminated in the process of consolidation.

Program, General and Operating Revenues – Revenue in the government-wide financial statements is classified as program or general revenue. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. In addition, general revenues include all taxes.

The operating revenues of the enterprise funds are defined as the charges for services received from the customers that are of a recurring nature. That is, those charges do not include one-time fees or grants, such as capital connection charges or capital grants. Revenue sources such as these are included under non-operating revenues.

Fund Balance Assumptions – In order to calculate the amounts reported as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When components of unrestricted resources are available for use and the purpose is a qualified activity, committed fund balance is depleted first, followed by assigned, and lastly unassigned.

Budgets and Budgetary Accounting - The County follows certain procedures in establishing the budgetary data reflected in the financial statements. Each County department, agency or board receiving County funds submits a budget request to the Commissioners at a public hearing. Additional public hearings are conducted to obtain taxpayer comments. On or before July 1 of each year, the budget is legally enacted through passage of a resolution.

The Director of Finance and Budget is empowered to make administrative transfers of appropriations within the current expense budget, within the same office or department, between departments, agencies, boards or commissions, inter-project transfers of appropriations between capital projects in the capital budget and the addition of new budget items, in the amount of not more than \$10,000. The County Administrator is authorized to transfer appropriations up to \$25,000. Any change involving more than \$25,000 but less than \$150,000 can be approved by the Board of County Commissioners without passage of a resolution. Any change totaling more than \$150,000 may only be made by resolution approved by the Commissioners after compliance with certain public hearing requirements.

The budget for the General Fund and Capital Projects are adopted annually. The basis is consistent with GAAP except that for the General Fund, on a budgetary basis, encumbrances are treated as expenditures rather than as a commitment of fund balance. Budgetary comparisons presented for the General Fund in the

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

basic financial statements are prepared on the budgetary basis. Budgetary control is at the object level. The Capital Projects budget is prepared for the duration of the respective project and annual budgetary comparisons are not presented in the basic financial statements and supplemental information.

D. Assets, Liabilities and Net Position

Cash, Cash Equivalents and Investments - For purposes of the statements of cash flows, cash equivalents are considered to be investments that are a) short-term, highly liquid investments which are readily convertible to known amounts of cash; and b) so near maturity that the investment presents insignificant risk of changes in value because of changes in interest rates.

Investments in certificates of deposit, U.S. government obligations, repurchase agreements and other investments are carried at fair value, which is determined on June 30 of each fiscal year.

Investments in the pension trust funds (Volunteer Fire and Rescue Squad Pension Fund and Calvert County Sheriff's Department Pension Plan, the Calvert County Employees Retirement Plan and the Calvert County Maryland Other Post-Employment Benefits Trust) are carried at fair value determined on June 30 of each year, based on appraisals or quotations by an independent investment counselor.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Long-Term Receivables - Long-term receivables relating to governmental fund types are reported in the respective balance sheets in spite of the spending measurement focus. These receivables however, are offset by nonspendable fund balance account to indicate they should not be considered available spendable resources since they do not represent net current assets.

Inventory - Inventory is valued at cost (first-in, first-out method) and consist of expendable supplies and vehicle repair parts. The inventories are recorded as expenditures when consumed rather than when purchased. Governmental fund type inventories are offset by a nonspendable fund balance account, which indicates that inventory does not constitute "available spendable resources," even though it is a component of net current assets.

Capital Assets - All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at estimated fair market value on the date contributed. The County currently defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Assets are depreciated using the straight-line method over the estimated useful life of the asset. The table on the next page is a general guideline for determining the estimated useful life of assets:

Buildings	25-30 years	Machinery and equipment	3-10 years
Improvements	15-20 years	Vehicles	3-7 years
Water and Sewer Systems	20-30 years	Computers	3 years

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

With the implementation of GASB Statement 34, the County has recorded its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Donated capital assets, donated works of art and similar items, and capital assets received in service concessions arrangements are reported at acquisition value rather than fair value.

Accumulated Annual, Personal and Sick Leave Benefits - County employees are granted annual leave at varying rates based upon years of service. The carrying amount of accumulated annual leave may not exceed a maximum of 100 days on a calendar year basis. In addition, 15 days of sick leave and 5 days of personal leave are granted annually. Upon termination or retirement, all annual and personal leave accrued to the credit of an employee is paid. The amount of accrued sick leave payable is based upon the employee's full-time status. The sick leave can be paid to the employee or credited to their retirement benefit upon meeting retirement eligibility in the applicable defined benefit pension plan. Upon separation from County service, employees who became eligible for sick leave prior to September 7, 2015, shall be paid for their unused accrued sick leave as follows: $\frac{1}{4}$ of the Employee's current hourly rate multiplied by the number of sick leave days up to and including 100, plus $\frac{1}{2}$ of the Employee's current hourly rate multiplied by the number of sick leave days in excess of 100. Upon separation from County service, employees who became eligible for sick leave on or after September 7, 2015, shall be paid for their unused accrued sick leave as follows: $\frac{1}{4}$ of the Employee's current hourly rate multiplied by the number of sick leave days.

Deferred Compensation Plan - The County has established a deferred compensation plan in accordance with Internal Revenue Code Section 457, and administered by Nationwide Retirement Solutions. All County employees may participate in the plan and defer a portion of their salary, subject to limitations imposed by the Internal Revenue Service. In September 1997, the County amended the plan in accordance with the provisions of IRC Section 457(g). The assets of the plan were placed in an independent trust for the exclusive benefit of participants and their beneficiaries. The requirements of that IRC Section prescribes that the County no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, were removed from the County's financial statements. The plan assets will not be subject to the claims of the public entity's creditors.

Other Post Employment Benefit Obligations – OPEB - In fiscal year 2018 the County adopted, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, which established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

Pension Accounting - Employee contributions are recognized in the Pension Trust Funds in the period the contributions are due. Employer contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are funded from investment income.

Interfund Transfers - The transfers into the General Fund are for capital projects that have been closed out, the transfer from excise tax fund to cover a portion of debt service, and one-time fund balance transfers from special revenue funds. The transfer out from the General Fund is for operating, disbursement of grant matching funds and pay-go monies.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Capital Projects Fund, and Enterprise Funds. Encumbrances outstanding at year end are reported as committed fund balances and do not constitute expenditures or liabilities because the commitments will be honored during a subsequent year.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Long-Term Obligations - In the government-wide financial statements and in the proprietary fund financial statements, long-term debt and other obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method which approximates the effective interest method.

Unearned Revenue - Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Deferred Outflows/Inflows of Resources - represents a consumption/acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources until then. The only item that qualifies for reporting in this category is the deferred loss/gain on refunding reported in the government-wide statement of net position. A deferred loss/gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The government has only one type of item, unavailable revenue, and is reported only in the governmental funds balance sheet for taxes, special assessment, and intergovernmental charges. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Equity - Detailed information on the presentation of net position for the government-wide and business-type funds is located on page 16. Information regarding the implementation of GASB No. 54 as it relates to the governmental fund balance presentation is located on page 19.

Stabilization Arrangement – During the fiscal year ended June 30, 2011, the County implemented GASB Statement No. 54 – *Fund Balance and Governmental Fund Type Definitions* which required an establishment of policy by formal action by the Board of County Commissioners. This formal action, set by resolution, defines the use of these as for contingency and emergency or catastrophic situations as determined by the County Commissioners. This amount is intended to be used only after all other available fund balances are exhausted.

E. Implementation of New Accounting Principles

The GASB has issued GASB Statement No. 87, *Leases*, which will require adoption in the future, if applicable. The County will be analyzing the effects of this pronouncement and plans to adopt as applicable by the effective date.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 2 - Property Taxes

A. Property Taxes

Property taxes attach an enforceable lien on property as of July 1. Taxes are levied each July 1 and the taxpayer has the option to pay in full without interest by September 30 or to pay the bill semiannually. In semi-annual bills, the first payment is payable without interest by September 30 and the second payment, including a service charge, is payable without interest by December 31. Interest is charged for each month or fraction thereof in which taxes remain unpaid beginning October 1 on accounts under the annual payment option, or January 1 for accounts under the semiannual payment option. Maryland law grants the Treasurer of Calvert County the power to advertise and sell any real property if the taxes remain delinquent for a period of one year.

Property taxes are levied at rates enacted by the Commissioners in the annual budget based on the assessed value of the property as determined by the Maryland State Department of Assessments and Taxation, an agency of the government of the State of Maryland. The rates of levy cannot exceed the constant yield tax rate furnished by the Maryland State Department of Assessments and Taxation without public notice and then only after public hearings.

The real property tax rate during the year ended June 30, 2019, was \$.937 per \$100 of assessed value based on the full valuation method, except that within the two incorporated towns, North Beach and Chesapeake Beach, the rate was \$.601 per \$100 of assessed value based on the full valuation method. The personal property tax rate during the year ended June 30, 2019 was \$2.23 per \$100 of assessed value except that within the two incorporated towns, North Beach and Chesapeake Beach, the rate was \$1.39. The County bills and collects all property taxes.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 3 - Cash, Cash Equivalents and Investments

A. Primary Government

Cash on Hand

At June 30, 2019, cash on hand for petty cash and change was \$7,335.

Policies and Provisions

General Deposits - The County has agreements with its depository financial institutions, which require all deposits to be either insured by the Federal Deposit Insurance Corporation or collateralized. The County has an agreement with Bank of America to collateralize 110% of deposits. At June 30, 2019, the net carrying amount and the bank balances of the County's deposits with financial institutions were \$5,785,529 and \$5,497,610, respectively, all of which was covered by federal depository insurance or collateral held by a third party custodian in a segregated account for the benefit of Calvert County.

Foreign risk related to deposits is managed by allowing no more than \$1,000,000 or 10% of the total investment portfolio to be invested with financial institutions residing in a single foreign country. At June 30, 2019, no deposits were in foreign currency.

General Investments - The County's policy for investments, as set by public code, is to invest in securities that are issued by the United States Government or any agency thereof, certificates of deposit, bankers' acceptances, any and all investments generally recognized as "money market instruments," securities issued by any state or municipal government, securities issued by the Federal Home Loan Mortgage Corporation (FHLMC), securities issued by the Government National Mortgage Association (GNMA), repurchase agreements, and reverse repurchase agreements. The County's intent is not to redeem any investment until the fair value is at least equal to the carrying value.

The County manages concentration risk by using limits, stated in percentages and/or dollars, for investment classes (noted above) that are not federally insured. The County's policy on credit risk is to only allow for Bankers' Acceptances of domestic and foreign banks that maintain the highest short-term deposit rating from Standard & Poor's (A-1) and/or Moody's (P-1). These ratings are also required for Repurchase Agreements. Repurchase Agreements are required to be collateralized at 102%.

In order to limit exposure to interest rate risk, the County's investment policy provides that investment maturities in any permitted investment shall not exceed 24 months in duration unless prior approval is received from the Director of Finance and Budget, or a designee. Investment in securities exceeding 24 months in duration shall not exceed 20% of the total investment portfolio at the time of purchase.

Fiduciary Fund Investments - The Calvert County Post Employment Benefit Plan, the Volunteer Fire and Rescue Squad Pension Plan, the Calvert County Sheriff's Department Pension Plan and the Calvert County Employees Retirement Plan are authorized to invest in common stocks, corporate bonds and any other securities in varying proportions when and for as long as, in the opinion of the respective Plan Trustees, prevailing market and economic considerations indicate that it is in the best interest of the respective Plan to do so. Note 9 presents the details of the pension plans starting on page 25.

Land Preservation Fund - The Land Preservation Fund is invested in U.S Treasury Strips (U.S. Treasury Bonds with the coupon/interest payment removed). The earliest maturity date of any of the bonds in this fund is February 15, 2021. The latest maturity date is May 15, 2026. This fund has no interest rate risk because each of the bonds was purchased to pay a specific obligation. The maturity date and amount of the bond coincides with the due date of the obligation.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Fair Value of Investments - The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 – Quoted prices for identical investments in active markets;
- Level 2 – Observable inputs other than quoted market prices; and
- Level 3 – Unobservable inputs.

At June 30, 2019, the County had the following recurring fair value measurements.

		Fair Value Measurements Using			
	6/30/2019	Level 1	Level 2	Level 3	
Investments by fair value level					
Debt Securities					
U.S. Treasury strips	\$ 4,035,384	\$ 4,035,384	\$ -	\$ -	
U.S. Agencies	-	-	-	-	
Corporate bonds and notes	-	-	-	-	
Total debt securities	4,035,384	4,035,384	-	-	
Equity Securities					
Commons stock	58,346,574	58,346,574	-	-	
Equity mutual funds	72,671,402	72,671,402	-	-	
Total equity securities	131,017,976	131,017,976	-	-	
Total investments by fair value level	135,053,360	135,053,360	-	-	
Investments measured at net asset value (NAV)					
Money market funds	180,235,625				
Fixed income mutual funds	60,472,893				
Private equity funds	71,222,733				
Total investments measured at the NAV	311,931,251				
Total investments measured at fair value	\$ 446,984,611				

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using quoted prices for similar securities in active markets. The County does not have any investments categorized as Level 3. Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values.

The majority of our investment in debt securities is in the Loomis Sayles Core fixed income fund. Approximately 74% of those securities are rated A or better. Approximately 20% of the investment in debt securities is in the Loomis Sayles High Income Fund. Approximately 66% of that fund is rated B or BA

Interest Rate Risk

The following schedule presents the interest rate risk (increasing interest rates decrease the value of the bonds) based on maturity of the bonds held.

Maturities	
Cash and equivalents	\$ 94,926,808
Less than 1 year	-
1 - 5 years	3,869,293
5 - 10 years	165,371
Total	<u>\$ 98,961,472</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Foreign Currency Risk

The following schedule shows the pension plans' exposure to foreign currency risk. This risk is created by the ownership of American Depository Receipts (ADR). ADRs are stocks that trade in the United States but represent a specified number of shares in a foreign corporation. ADRs are bought and sold on American markets just like regular stocks, and are issued/sponsored in the U.S. by a bank or brokerage. Because the value of an ADR is derived from the value of the foreign share price, fluctuations in that currency exchange rate create changes in value. Calvert County currently has no formal policy relating to foreign currency risk in the pension plans.

<u>Country</u>	
United Kingdom	\$ 8,866,589
Japan	7,920,223
Germany	2,245,009
Netherlands	1,991,251
Swiss	1,865,861
France	1,833,026
china	937,410
Russia	865,761
Hong Kong	841,878
Ireland	137,158
Scotland	39,491
Spain	19,746
Total	<u>\$ 27,563,403</u>

Carrying Value

The carrying value of all the County's cash and investments as of June 30, 2019 are summarized in the following table:

<u>Cash, Cash Equivalent or Investment type</u>		<u>Cash, Cash Equivalent or Investment type</u>	
U.S. Agency obligations	\$ -	Unrestricted	\$ 118,049,255
U.S. Treasury strips	4,035,384	Restricted	335,162,174
Common stock	51,706,708	Total	<u>\$ 453,211,429 *</u>
Fixed assets	60,472,892		
Equity and bond funds	145,699,063		
Money market mutual funds	172,905,245		
Certificates of deposits	443,038		
Cash in banks	5,785,529		
Other special equity	12,156,210		
Petty cash	7,360		
Total	<u>\$ 453,211,429 *</u>		

*includes agency fund cash of \$95,903.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

B. Component Units

Economic Development Authority

The Authority follows the investment policies of the County. Its investments at June 30, 2019, totaled \$1,842,264 and consisted of money market mutual funds.

Board of Education

Cash on Hand - At June 30, 2019, cash on hand for petty cash and change funds was \$655.

Deposits - At June 30, 2019, the carrying amount of the Board's deposit was \$28,476,925 consisting of cash in the amount of \$26,521,749 in governmental activities, and \$1,955,176 in the agency fund with corresponding bank balances of \$32,501,468. Of the bank balances, all deposits were covered by Federal Depository Insurance and collateral held in the Board's name. The Board has a contractual agreement with a bank for funds to be transferred daily from overnight investments to cover checks as presented.

Investment Rate Risk - Fair value fluctuates with interest rates, and increasing rates could cause fair value to decline below original cost. To limit the Board's exposure to fair value losses arising from increasing interest rates, the Board's investment policy limits the term of investment maturities to overnight repurchase agreements and MLGIP and requires that collateral securities underlying the repurchase agreements have a market value of at least 102 percent of the cost of the agreement. Interest income is reported as general revenue in the Calvert County Public School, Statement of Activities.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of failure of the counter party, the Board will not be able to recover all or portion of its investments or collateral securities that are in the possession of an outside party. In this regard, the Board limits its investments to overnight deposits that are insured or collateralized with securities held by a custodian in the Board's name. Statutes require that deposits be in Maryland banks and that uninsured deposits be fully collateralized and authorize the Board to invest in obligations of the United States government, federal agency obligations and repurchase agreements secured by direct government or agency obligations.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 4 - Notes Receivable

A. Primary Government

General Fund

The Affordable Housing Program - The County under this program has a 20 year loan set up to fund a participant in the County's Water and Sewer Assistance Program. This note initiated in FY2009, will mature in FY2029 and bears interest at 5% per annum. Principal and interest payments are due monthly. At June 30, 2019, \$8,953 is outstanding.

Water and Sewer Fund

The Water and Sewer Fund ratified a loan with the general fund in 2014. The note calls for annual payments of \$175,000, non-interest bearing, commencing June 30, 2013 through maturity in 2052. At June 30, 2019, outstanding principal amounted to \$5,925,000 and is offset by a nonspendable fund balance to indicate these funds are not available, spendable resources.

Funds previously advanced by the General Fund to the Water and Sewer Fund for the Prince Frederick Water and Sewer System was converted to an interest-free note in 1992. Principal is payable annually beginning January 1, 1993 through maturity on January 1, 2025. At June 30, 2019, \$169,266 is outstanding, and is offset by a nonspendable fund balance to indicate these funds are not available, spendable resources.

Funds previously advanced by the General Fund to the Water and Sewer Fund for the Shores of Calvert Water and Sewer System were converted to a 20 year interest bearing note. The note calls for annual payments of \$9,967 including interest at 1.5%. Principal is payable annually beginning July 1, 2012 through maturity on July 1, 2031. At June 30, 2019, \$112,418 is outstanding, and is offset by a nonspendable fund balance to indicate these funds are not available, spendable resources.

Economic Development Incentive Fund

During fiscal year 2008 a fifteen-year, \$200,000 loan was made to Kelly Generator Inc. The note bears interest at 1.0% per annum. Principal is payable monthly, beginning September 2007 through maturity in August 2022. At June 30, 2019, \$44,765 is outstanding.

Economic Development Authority Revolving Loan Fund

During fiscal year 2016 a five-year, \$68,000 loan was made to Tax Depot, LLC. The note bears interest at 5.25% per annum. Principal is payable monthly, beginning December 2015 through maturity in February 2021. At June 30, 2019, \$23,489 is outstanding.

During fiscal year 2019 a seven-year, \$47,000 loan was made to Huntingtown Automotive, LLC. The note bears interest at 5.50% per annum. Principal is payable monthly, beginning October 2018 through maturity in September 2025. At June 30, 2019, \$44,103 is outstanding.

During fiscal year 2019 a five-year, \$100,000 loan was made to Chesapeake Plastic MFG. The note bears interest at 7.25% per annum. Interest is due monthly, principle is due at maturity of loan, beginning December 2018 through maturity in December 2019. At June 30, 2019, \$100,000 is outstanding.

During fiscal year 2019 a five-year, \$80,000 loan was made to Mully's Brewery, LLC. The note bears interest at 7.49% per annum. Principal is payable monthly, interest is due after first 60 days, beginning April 2019 through maturity in March 2025. At June 30, 2019, \$80,000 is outstanding.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 5 - Interfund Accounts and Transfers

Interfund Accounts - Represent outstanding balances between funds resulting from the time lag between the dates that (1) interfund good and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payment between funds are made. These amounts include balances of working capital loans made to the enterprise funds which the general fund expects to collect in the subsequent year. These accounts are also referred to as due to/from other funds. Most deposits and cash disbursements are processed using the General Fund bank account. These deposit and cash disbursement transactions create the interfund balances.

At June 30, 2019 the interfund account balances were as shown below:

	<u>Due From</u>	<u>Due To</u>
Primary Government:		
<u>General Fund</u>		
Special revenue funds	\$ 18,345	\$ 11,276,835
Capital projects fund	-	16,080,972
Enterprise funds	2,029,144	2,976,493
	<u>2,047,489</u>	<u>30,334,300</u>
<u>Special Revenue Funds</u>		
General fund	11,276,835	18,345
<u>Capital Projects Fund</u>		
General fund	-	-
<u>Enterprise Funds</u>		
General fund	2,976,493	2,029,144
	<u>\$ 16,300,817</u>	<u>\$ 32,381,789</u>
Component Units:		
Primary government – General fund	\$ -	\$ 13,411,266
Component unit – Board of Education	12,961,150	-
Component unit – Economic Development Authority	450,116	-
	<u>\$ 13,411,266</u>	<u>\$ 13,411,266</u>

Interfund Transfers - are used to (1) move revenues from the fund with collection authority to the enterprise and capital project funds for bond proceeds and (2) move general fund resources to provide annual operating subsidy to the capital projects, special revenue, and enterprise funds.

During the fiscal year ended June 30, 2019, the interfund transfers were as follows:

Primary Government:		
<u>Governmental Funds</u>	<u>Transfers in</u>	<u>Transfers out</u>
Special revenue funds	\$ 11,215,000	\$ 2,612,200
Capital projects fund	10,868,851	34,500
General fund	34,500	19,491,997
	<u>22,118,351</u>	<u>22,138,697</u>
<u>Proprietary Funds</u>		
Water and sewer fund	-	-
Solid waste fund	29,314	8,968
	<u>29,314</u>	<u>8,968</u>
Total Transfers	<u>\$ 22,147,665</u>	<u>\$ 22,147,665</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6 - Capital Assets

A. Primary Government

A summary of changes in capital assets are as follows:

	Balance June 30, 2018	Additions	Deductions/ Reclassifications	Balance June 30, 2019
Governmental activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 26,506,495	\$ 17,533,377	\$ (19,218,758) ⁽¹⁾	\$ 24,821,114
Land Development Rights	11,245,305	-	-	11,245,305
Land	43,985,536	2,070,445	-	46,055,981
	<u>81,737,336</u>	<u>19,603,822</u>	<u>(19,218,758)</u>	<u>82,122,400</u>
Capital assets, being depreciated				
Buildings	79,158,920	6,765,580	(213,615)	85,710,885
Improvements	48,735,317	6,730,875	-	55,466,192
Machinery & Equipment	52,684,188	3,321,078	(3,225,348)	52,779,918
Infrastructure	149,509,638	9,104,538	-	158,614,176
	<u>330,088,063</u>	<u>25,922,071</u>	<u>(3,438,963)</u>	<u>352,571,171</u>
Less accumulated depreciation for:				
Buildings	(52,367,520)	(2,207,782)	213,615	(54,361,687)
Improvements	(27,435,436)	(2,857,298)	-	(30,292,734)
Machinery & Equipment	(40,289,152)	(3,499,735)	3,225,348	(40,563,539)
Infrastructure	(86,282,379)	(5,688,265)	-	(91,970,644)
	<u>(206,374,487)</u>	<u>(14,253,080)</u>	<u>3,438,963</u>	<u>(217,188,604)</u>
Total capital assets, being depreciated, net	<u>123,713,576</u>	<u>11,668,991</u>	<u>-</u>	<u>135,382,567</u>
Governmental activities capital assets, net	<u>\$ 205,450,912</u>	<u>\$ 31,272,813</u>	<u>\$ (19,218,758)</u>	<u>\$ 217,504,967</u>
Business-type activities:				
Capital assets, not being depreciated				
Construction in Progress	\$ 4,169,967	\$ 1,233,382	\$ -	\$ 5,403,349
Land	2,483,591	-	-	2,483,591
	<u>6,653,558</u>	<u>1,233,382</u>	<u>-</u>	<u>7,886,940</u>
Capital assets, being depreciated				
Buildings	56,486,730	10,748	-	56,497,478
Improvements	23,955,289	1,245,726	-	25,201,015
Machinery & Equipment	14,969,649	925,682	(275,464)	15,619,867
	<u>95,411,668</u>	<u>2,182,156</u>	<u>(275,464)</u>	<u>97,318,360</u>
Less accumulated depreciation for:				
Buildings	(36,468,022)	(1,457,964)	-	(37,925,986)
Improvements	(5,981,427)	(860,545)	-	(6,841,972)
Machinery & Equipment	(7,690,893)	(887,184)	275,464	(8,302,613)
	<u>(50,140,342)</u>	<u>(3,205,693)</u>	<u>275,464</u>	<u>(53,070,571)</u>
Total capital assets, being depreciated, net	<u>45,271,326</u>	<u>(1,023,537)</u>	<u>-</u>	<u>44,247,789</u>
Business-type activities capital assets, net	<u>\$ 51,924,884</u>	<u>\$ 209,845</u>	<u>\$ -</u>	<u>\$ 52,134,729</u>

(1) Excludes assets of \$6,639,362 and \$9,993,912 that were transferred to the Board of Education and Fire Departments

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

B. Component Units:

Economic Development Authority

A summary of changes in capital assets for the year ended June 30, 2019 as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance June 30, 2019</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 22,191	\$ -	\$ -	\$ 22,191
	<u>\$ 22,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,191</u>

Board of Education

A summary of changes in capital assets for the year ended June 30, 2019 as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deductions/ Reclassifications</u>	<u>Balance June 30, 2019</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 3,846,183	\$ -	\$ (4,102)	\$ 3,842,081
Construction in progress	56,945,284	15,543,057	(64,251,401)	8,236,940
Total capital assets, not being depreciated	60,791,467	15,543,057	(64,255,503)	12,079,021
Capital assets, being depreciated:				
Buildings and improvements	315,210,607	63,987,156	(4,306,005)	374,891,758
Land improvements	7,057,140	144,508	(154,000)	7,047,648
Equipment	9,241,909	1,002,665	(462,756)	9,781,818
Total capital assets, being depreciated	331,509,656	65,134,329	(4,922,761)	391,721,224
Less accumulated depreciation for				
Buildings and improvements	(120,011,146)	(7,126,346)	3,838,885	(123,298,607)
Land improvements	(4,187,842)	(32,683)	150,150	(4,070,375)
Equipment	(6,290,042)	(134,658)	418,408	(6,006,292)
Total accumulated depreciation	(130,489,030)	(7,293,687)	4,407,443	(133,375,274)
Total capital assets, being depreciated, net	201,020,626	57,840,642	(515,318)	258,345,950
Governmental activities capital assets, net	<u>\$ 261,812,093</u>	<u>\$ 73,383,699</u>	<u>\$ (64,770,821)</u>	<u>\$ 270,424,971</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Component Units, continued

Board of Education

The Board's active school construction projects as of June 30, 2019 as follows:

	<u>Spent to Date</u>
Beach Elementary	\$ 78,800
Calvert County HVAC	827,929
Mt. Harmony HVAC	80,250
Northern High	6,427,085
Northern Middle	23,459
Patuxent High HVAC	634,118
School Safety & Security	165,299
	<u>\$ 8,236,940</u>

These projects are funded primarily by capital grants from Calvert County and the State of Maryland prior to commitments being made with contractors.

Depreciation expense for the year ended June 30, 2019 for Calvert County and component units (Board of Education and Economic Development Authority) were as follows:

Primary Government:

Governmental activities:

General government	\$ 782,071
Public safety	1,905,915
General services	4,862,016
Public works	6,290,646
Community resources	346,457
Education	65,975
Total	<u>\$ 14,253,080</u>

Business-type activities:

Water and Sewer	\$ 2,711,371
Solid Waste and Recycling	494,322
	<u>\$ 3,205,693</u>

Component Units:

Board of Education - governmental activities:

Instruction:	
Regular education	\$ 139,341
Special education	10,592
Support services:	
Administration	(871,598)
Mid-level administration	9,265
Operation of plant and equipment	7,785,812
Maintenance of plant	177,536
Total	<u>\$ 7,250,948</u>

Economic Development:

\$ 19,700

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 7 - Long-Term Obligations

A. Primary Government

Changes in Long-term Obligations

The following is a summary of the changes in long-term obligations of the County for the year ended June 30, 2019.

The liability for Compensated Absences, under governmental activities, the general fund normally liquidates 93 percent, the special revenue funds liquidate less than 1 percent. For the business-type activities, the solid waste fund liquidates 4 percent, the water and sewer fund liquidates 2 percent, and the nonmajor proprietary funds liquidate 1 percent.

The liability for Net Pension Liability and Net OPEB Liability, under governmental activities, the general fund normally liquidates by annual funding these items based on the actuarial contribution calculation.

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
Governmental activities:					
Bonds and Notes Payable					
General Obligation Debt ⁽¹⁾	\$ 123,086,114	\$ 48,748,954	\$ (16,731,702)	\$ 155,103,366	\$ 14,501,827
Notes Payable ⁽²⁾	52,368	-	(4,684)	47,684	4,685
The Land Preservation Program	4,450,340	-	(227,430)	4,222,910	917,654
Other Liabilities:					
Landfill Closure Costs	270,000	-	(30,000)	240,000	30,000
Net Pension Liability	13,119,731	7,156,143	-	20,275,874	-
Net OPEB Liability	45,859,174	-	(5,765,616)	40,093,558	-
Compensated Absences	12,896,057	538,165	(1,772,157)	11,662,065	1,646,221
Total	<u>\$ 199,733,784</u>	<u>\$ 56,443,262</u>	<u>\$ (24,531,589)</u>	<u>\$ 231,645,457</u>	<u>\$ 17,100,387</u>
Business-type activities:					
Bonds and Notes Payable					
General Obligation Debt ⁽¹⁾	\$ 16,316,502	\$ 1,073,166	\$ (908,476)	\$ 16,481,192	\$ 908,929
Notes Payable ⁽¹⁾	12,732,464	135,808	(900,960)	11,967,312	726,081
Other Liabilities:					
Landfill Closure Costs	3,175,644	54,053	-	3,229,697	54,053
Compensated Absences	583,789	76,573	-	660,362	66,586
Total	<u>\$ 32,808,399</u>	<u>\$ 1,339,600</u>	<u>\$ (1,809,436)</u>	<u>\$ 32,338,563</u>	<u>\$ 1,755,649</u>

(1) Indicates debt issued for the purpose of acquiring capital assets.

(2) Represents debt used for other governmental purposes.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Obligation Balances and Terms – Governmental Activities

Long-term obligations as of June 30, 2019, consist of the following:

Bond Description and Year <i>Governmental Activities</i>	Amount Borrowed	Rate	Due serially through	Governmental Activities Balance
<i>General Obligation Bonds</i>				
Consolidated Public Improvement Project Bonds, 2010 Series	\$ 13,921,232	3% - 5%	July 1, 2025	\$ 7,580,368
Consolidated Public Improvement Project Bonds, 2011 Series	19,256,271	2% - 5%	May 1, 2026	8,984,081
Consolidated Public Improvement Project Bonds, 2012 Series	6,290,000	3% - 4%	April 1, 2027	3,355,000
Refunding Bonds, 2012 Series (replaced the 2005/2006 Series bonds)	6,425,000	3% - 4%	April 1, 2027	2,060,000
Consolidated Public Improvement Project Bonds, 2013 Series	5,415,000	3% - 4%	April 1, 2028	3,600,000
Refunding Bonds, 2013 Series (replaced the 2003/2007 Series bonds)	10,437,071	3% - 4%	April 1, 2028	7,270,750
Consolidated Public Improvement Project Bonds, 2014 Series	5,760,000	2% - 5%	May 1, 2029	4,115,000
Consolidated Public Improvement Project Bonds, 2016 Series	28,030,000	2% - 5%	July 1, 2031	25,247,964
Refunding Bonds, 2016 Series (replaced the 2008/2009 Series bonds)	18,670,000	2% - 5%	July 1, 2032	14,080,000
Consolidated Public Improvement Project Bonds, 2017 Series - 15 year	21,760,000	3% - 5%	July 1, 2033	20,700,842
Consolidated Public Improvement Project Bonds, 2018 Series	23,210,000	2% - 5%	July 1, 2033	23,210,000
Consolidated Public Improvement Project Bonds, 2019 Series	19,690,000	2% - 5%	July 1, 2034	19,690,000
Consolidated Public Improvement Project Bonds, 2017 Series - 25 year	10,000	3% - 5%	July 1, 2033	10,000
<i>Shore Erosion Control</i>				
Solomons United Methodist Church (non-interest bearing)	32,150	n/a	July 1, 2026	10,288
Our Lady Star of the Sea (non-interest bearing)	84,987	n/a	July 1, 2029	37,395
<i>Other</i>				
The Land Preservation Program	10,611,555	3% - 5%		4,222,910
Total General Obligation Bonds and Notes Receivables	189,603,266			144,174,598
Premium, 2009, 2010, 2011, 2012, 2013, 2014, 2016, 2017, 2018, 2019 Series				15,199,362
Total Governmental Activities	<u>\$ 189,603,266</u>			<u>\$ 159,373,960</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Obligation Balances and Terms – Business-Type Activities

Long-term obligations as of June 30, 2019, consist of the following:

Bond Description and Year <i>Business-Type Activities</i>	Amount Borrowed	Rate	Due serially through	Business-Type Activities Balance
<i>General Obligation Bonds - Water and Sewer</i>				
Consolidated Public Improvement Project Bonds, 2010 Series	\$ 2,314,702	3% - 5%	July 1, 2025	\$ 1,260,398
Consolidated Public Improvement Project Bonds, 2011 Series	2,769,000	2% - 5%	May 1, 2036	1,791,922
Consolidated Public Improvement Project Bonds, 2012 Series	3,065,000	3% - 4%	April 1, 2037	2,195,000
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	225,330	3% - 4%	April 1, 2022	156,975
Consolidated Public Improvement Project Bonds, 2013 Series	1,180,000	3% - 4%	April 1, 2038	980,000
Consolidated Public Improvement Project Bonds, 2014 Series	3,275,000	2% - 5%	May 1, 2039	2,810,000
Consolidated Public Improvement Project Bonds, 2016 Series	1,765,000	2% - 5%	July 1, 2041	1,675,000
Consolidated Public Improvement Project Bonds, 2017 Series	1,195,000	3% - 5%	July 1, 2042	1,175,000
Consolidated Public Improvement Project Bonds, 2018 Series	1,035,000	3% - 5%	July 1, 2043	1,035,000
<i>Notes Payable - Water and Sewer</i>				
Water Supply Facilities Loan Note	89,775	6.6%	November 1, 2019	6,670
General Fund Note - Prince Frederick (non-interest bearing)	863,254	n/a	January 1, 2025	169,267
General Fund Note - Shores of Calvert (interest bearing)	171,127	1.50%	July 1, 2032	116,933
General Fund Note - Water and Sewer	7,000,000	0.00%	June 30, 2052	5,925,000
Maryland Department of the Environment (MDE) Note - Kenwood Beach	250,000	4.64%	February 1, 2033	163,402
Maryland Water Quality Financing Admin Note - Dares Beach	500,000	1.6%	August 1, 2020	59,889
Maryland Water Quality Financing Admin Note - Prince Frederick	6,300,000	1.5%	February 1, 2022	1,068,627
Maryland Water Quality Financing Admin Note - Patuxent Business Park	400,000	1%	February 1, 2024	112,418
Maryland Water Quality Financing Admin Note - Chesapeake Beach	1,071,036	1.1%	February 2, 2028	499,689
Maryland Water Quality Financing Admin Note - Chesapeake Beach WWTP	1,892,000	1.1%	February 1, 2036	1,633,904
Maryland Water Quality Financing Admin Note - East Prince Fred Tank	2,258,209	0.9%	December 1, 2036	2,211,513
Total General Obligation Bonds and Notes Receivables	37,619,433			25,046,607
Premium, 2010, 2011, 2012, 2013, 2014, 2016, 2017, 2018, 2019 Series				693,385
Total Water and Sewer	<u>\$ 37,619,433</u>			<u>\$ 25,739,992</u>
<i>General Obligation Bonds - Solid Waste</i>				
Consolidated Public Improvement Project Bonds, 2010 Series	\$ 274,066	3% - 5%	July 1, 2025	\$ 149,234
Consolidated Public Improvement Project Bonds, 2011 Series	1,005,234	2% - 5%	May 1, 2026	468,996
Refunding Bonds, 2013 Series (replaced the 2003 Series bonds)	67,599	2% - 5%	April 1, 2022	47,092
Consolidated Public Improvement Project Bonds, 2016 Series	1,010,000	2% - 5%	July 1, 2032	910,193
Consolidated Public Improvement Project Bonds, 2017 Series	1,045,000	3% - 5%	July 1, 2033	994,152
Total General Obligation Bonds	3,401,899			2,569,667
Premium, 2010, 2011, 2016, 2017 Series				138,845
Total Solid Waste	<u>\$ 3,401,899</u>			<u>\$ 2,708,512</u>
Total Business Type Activities	<u>\$ 41,021,332</u>			<u>\$ 28,448,504</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Debt Requirements

The minimum annual requirements to amortize all outstanding debt, except compensated absences, estimated landfill postclosure costs, net pension liability, and net OPEB obligation as of June 30, 2019 are as follows:

Governmental Activities			
Years Ending June 30,	Principal	Interest	Total
2019	\$ 13,690,754	\$ 5,468,583	\$ 19,159,337
2020	16,965,592	5,188,821	22,154,413
2021	14,197,680	4,388,515	18,586,195
2022	13,626,723	3,722,391	17,349,114
2023	10,632,337	3,195,384	13,827,721
2024-2028	41,924,063	9,814,212	51,738,275
2029-2033	33,137,449	2,687,859	35,825,308
Premium	15,199,362	-	15,199,362
	<u>\$ 159,373,960</u>	<u>\$ 34,465,765</u>	<u>\$ 193,839,725</u>

Business-Type Activities			
Years Ending June 30,	Principal	Interest	Total
2019	\$ 1,801,223	\$ 670,850	\$ 2,472,073
2020	1,821,252	618,809	2,440,061
2021	1,820,252	568,156	2,388,408
2022	1,424,570	500,936	1,925,506
2023	1,445,993	462,191	1,908,184
2024-2028	6,353,893	1,724,416	8,078,309
2029-2033	5,657,729	1,014,058	6,671,787
2034 - thereafter	7,291,362	446,874	7,738,236
Premium	832,230	-	832,230
	<u>\$ 28,448,504</u>	<u>\$ 6,006,290</u>	<u>\$ 34,454,794</u>

Estimated Closure and Postclosure Costs

Barstow Landfill - During 1997, the County closed the Barstow Landfill. The current estimate of post closure costs is \$240,000. The landfill is at 100% capacity with no remaining useful life. An amount is recorded in the general long-term debt for the estimated postclosure costs associated with the Barstow Landfill. This amount is required by state and federal regulations to provide for monitoring costs associated with the closed landfill. Therefore, the total estimated cost of postclosure care has been recorded.

Appeal Landfill - This is the County's current operating landfill. In 1998, the County entered into a long-term arrangement under which the County's waste is transferred out of the County, which has extended the life of the landfill. An accrual is recorded for the estimated closure and postclosure costs associated with the Appeal Landfill. The accrual is based upon the capacity used to date. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, a portion of these closure and postclosure care costs are reported as an operating expense in each period based on landfill capacity used as of each balance sheet date. This accrual is required by state and federal regulations to provide for the capping and monitoring costs associated with the closing of the landfill. The estimate of total closure and post closure costs, provided by an independent contractor specializing in landfills is \$7,289,037.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

This amount has been and will be increased by a factor of 3.5% to account for inflation, through fiscal year 2033. In fiscal year 2012, the county obtained an independent contractor to provide an analysis that would ensure compliance with changing federal and state laws, study potential changes in costs due to inflation or deflation, and changes in technology in an effort to maintain accurate accruals. The percentage of the landfill that is full in FY2019 is 73.93%; therefore, \$3,229,697 represents the accrued reserve at June 30, 2019, which is reported in the Solid Waste and Recycling fund. The amount that has not yet been recognized in the County's financial statements is \$4,059,340. The accrued reserve will be increased with a contribution of \$4,358 for FY2020.

B. Component Units

Changes in Long-term Obligations

The following is a summary of the changes in the Long-Term Obligations of the Board of Education for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 3,831,078	\$ 2,431,751	\$ (2,318,205)	\$ 3,944,624	\$ 155,922
Net Pension Liability	12,487,018	926,918	-	13,413,936	-
Net OPEB Liability - restated	130,684,290	-	(12,094,801)	118,589,489	-
Total	<u>\$ 147,002,386</u>	<u>\$ 3,358,669</u>	<u>\$ (14,413,006)</u>	<u>\$ 135,948,049</u>	<u>\$ 155,922</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 8 - Fund Balances

A. Governmental Funds - Fund Balance

Fund Balance— In fiscal year 2011, Calvert County implemented GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. The new fund balance classifications are as follows:

1. Nonspendable: Amounts that cannot be spent because they are either in a nonspendable form, or are legally or contractually required to be maintained intact.
2. Restricted: Amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
3. Committed: Amounts that can only be used for specific purpose pursuant to constraints imposed by formal action of the County's highest level of decision making authority. The Board of County Commissioners (BOCC) is the highest level of decision-making authority, and committed funds are established by resolution. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.
4. Assigned: Amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the BOCC or the Director of Finance and Budget as established in the County's Fund Balance Policy.
5. Unassigned: Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

The County has passed a fund balance resolution that specifies the spending order of the different types of fund balances. Nonspendable amounts by definition can't be spent. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the County's policy to use committed resources first, then assigned, and then unassigned as they are needed.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

As of June 30, 2019, fund balances were reported as follows:

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
GOVERNMENTAL FUNDS FUND BALANCES
JUNE 30, 2019

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventory	\$ 297,844	\$ -	\$ 66,304	\$ 364,148
Long term receivables	9,289,485	-	-	9,289,485
Total Nonspendable	9,587,329	-	66,304	9,653,633
Restricted for:				
Leveraging obligations	-	-	4,035,384	4,035,384
Other purposes	-	-	5,168,125	5,168,125
Endowments	-	-	46,188	46,188
Total Restricted for	-	-	9,249,697	9,249,697
Committed to:				
Encumbrances:				
General government	1,151,308	-	-	1,151,308
Public safety	2,078,581	-	-	2,078,581
General services	1,144,949	-	-	1,144,949
Public works	4,313,589	-	-	4,313,589
Economic development	21,118	-	-	21,118
Community resources	48,451	-	-	48,451
Education	42,347	-	-	42,347
Stabilization arrangement	23,801,291	-	-	23,801,291
Other purposes	320,977	-	5,029,208	5,350,185
Total Committed to	32,922,611	-	5,029,208	37,951,819
Assigned to:				
Vacation/sick leave	5,000,000	-	-	5,000,000
Other purposes	-	-	1,773,071	1,773,071
Other capital projects	-	49,340,660	-	49,340,660
Total Assigned to	5,000,000	49,340,660	1,773,071	56,113,731
Unassigned:	22,292,284	-	-	22,292,284
Total fund balances:	\$ 69,802,224	\$ 49,340,660	\$ 16,118,280	\$ 135,261,164

Other long-term receivables - The amount of notes receivable advanced to Prince Frederick Water and Sewer, Shores of Calvert Water and Sewer System, and advances to the Water and Sewer fund notes receivable at June 30, 2019.

Reserved for other purposes - These amounts represent the portion of fund balance restricted for the special purpose of the following funds: Special Revenue Funds, Parks and Recreation Fund, and Land Preservation Fund.

Stabilization Arrangement - This amount, set by resolution, defines the use of these as for contingency and emergency or catastrophic situations as determined by the County Commissioners. This amount is intended to be used only after all other available fund balances are exhausted.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 9 - Retirement Systems

A. Primary Government

All new employees to Calvert County Government are either in the Sheriff's Department Pension Plan or the Calvert County Employee Retirement Savings Plan. The Primary Government operates four Pension Trust Funds – Length of Service Award Program, Calvert County Sheriff's Department Pension Plan, Calvert County Employees Retirement Plan, and the Calvert County Maryland Other Post-Employment Benefits Trust (OPEB). The County does not issue stand-alone financial reports for the plans, nor are they included in the report of any other entity. The County Plans' Statements of Net Position and Statements of Changes in Net Position are presented at the end of this note. In addition, some employees participate in the State Retirement System of Maryland. See page 64 for additional information.

1. Length of Service Award Program

Summary of Significant Accounting Policies

Pensions – Investments are reported at fair market value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The net pension liability was computed using the Projected Unit Credit Cost Method as a part of an actuarial valuation performed as of July 1, 2018.

Plan Description

Plan administration - The County contributes to the Length of Service Awards Program (LSAP) for the Volunteer Fire and Rescue Squads personnel of Calvert County (Plan), a single-employer noncontributory retirement and pension plan. Any person who is certified as an active member with any Calvert County Volunteer Fire Company or Rescue Squad is eligible to participate in the Plan. The County contributes all amounts necessary to fund the payments of benefits under the Plan.

Management and all other requirements are established by the Fire and Rescue Commission and approved by the Commissioners as authorized by the legislative assembly.

Employees covered by benefit terms - At June 30, 2019, the membership was as follows:

Inactive employees or beneficiaries currently receiving benefits	69
Active employees currently receiving benefits	66
Active employees	960

Benefits provided - Active members who attain age 55 and have completed 25 years of certified volunteer service shall receive \$400 per month plus \$4 per month additional for each year of service in excess of 25 years, with a maximum benefit of \$500 per month. If an active member attains age 70 and has 2 years of qualifying service out of the last 5 years, but does not complete 25 years of service, a monthly benefit equal to \$8 times the years of service will be payable. The Plan also provides for death and disability benefits to participating volunteers. Disability benefits are determined in the same manner but are payable immediately. Members who have at least 25 years of service are entitled to a Death benefit which is payable to his or her surviving spouse and is entitled to 50% of the member's benefit and a \$6,000 burial benefit.

Contribution – The contribution made by the County to the Plan for fiscal year 2019 totaling \$700,000 were made in accordance with actuarial determined requirements computed through and actuarial valuation performed on July 1, 2018.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Investments

Investment policy – The pension plan’s policy in regard to the targeted allocation of invested assets is based on the County’s investment advisors recommendations.

<u>Asset Class</u>	<u>Target Allocation</u>
Cash/cash equivalents	5.0%
Domestic equity	55.0%
International equity	15.0%
Fixed income	25.0%
Total	100.0%

Rate of return – For the year ended June 30, 2019, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 2.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The County’s net pension liability, for the measurement period of June 30, 2018 to June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions and methods – The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

<u>Funding method</u>	<u>Projected Unit Credit</u>
Inflation rate	2.2%
Salary increases	n/a
Investment rate of return	7.25%
Mortality	RP-2006 with generational projection using scale MP-2017

Long-term rate of return – The long-term rate of return on the pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of returns (expected returns, net of pension plan investment expense and inflation) are developed for each class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of July 1, 2018 are summarized in the following table:

<u>Asset Classes</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. equity	6.40%
Small Cap U.S. equity	6.90%
International equity	7.40%
Core U.S. fixed income	3.50%
Cash	2.60%

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Discount rate – The discount rate of 7.25% was selected by the County. Based on the target allocation of the trust fund and the actuarial current economic model for future investment returns, it is estimated that there is an approximately a 40% chance the fund will average more than this return and a 60% chance the fund will average less than this return over the next 30 years.

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at 06/30/18	\$9,220,796	\$4,157,741	\$5,063,055
Changes for the year:			
Service cost	205,840	-0-	205,840
Interest on the total pension liability	641,994	-0-	641,994
Change in assumptions	1,330,806	-0-	1,330,806
Difference between expected and actual experience	1,538,889	-0-	1,538,889
Contributions - employer	-0-	700,000	(700,000)
Contributions - employee	-0-	-0-	-0-
Net investment income	-0-	89,957	(89,957)
Benefit payments	(731,411)	(731,411)	-0-
Administrative expense	-0-	(41,974)	41,974
Net changes	2,986,118	16,572	2,969,546
Balance at 06/30/19	\$12,206,914	\$4,174,313	\$8,032,601

Sensitivity of the net pension liability – The following presents the net pension liability of the County, calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25)</u>	<u>Current Discount Rate (7.25)</u>	<u>1% Increase (8.25)</u>
Total pension liability	\$13,727,775	\$12,206,914	\$10,944,619
Plan fiduciary net position	(4,174,313)	(4,174,313)	(4,174,313)
County's net pension liability	<u>\$9,553,462</u>	<u>\$8,032,601</u>	<u>\$6,770,306</u>

Pension plan fiduciary net position - For the year ended June 30, 2019, the County recognized pension expense of \$1,730,050. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$1,685,822	-0-
Changes of assumptions	1,339,198	-0-
Net difference between expected and actual earnings	96,062	-0-
Total	<u>\$3,121,082</u>	<u>\$-0-</u>

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$1,065,195
2021	966,195
2022	853,961
2023	90,549
2024	48,728
2025 and after	97,454
Total	\$3,121,082

2. Calvert County Sheriff's Department Pension Plan

Summary of Significant Accounting Policies

Pensions – Investments are reported at fair market value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The net pension liability was computed using the Project Unit Credit Cost Method as a part of an actuarial valuation performed as of July 1, 2018.

Plan Description

Plan administration - The County contributes to the Calvert County Sheriff's Department Pension Plan (Plan), a single-employer defined benefit pension plan. All full-time deputy sheriffs and correctional officers employed by the County, excluding those who were hired prior to July 1, 1989, who elected to remain in the State Pension System, are eligible to participate in the Plan.

Management of the Sheriff's Plan is vested in the Board of Trustees, which consists of nine members appointed by the BOCC. The Trustee officer's include two employees (one deputy sheriff and one correctional officer) who are plan members, the County Administrator, Director of Public Safety, Director of Finance and Budget, a retired deputy, and three outside members who have financial expertise and are not County employees or members of the BOCC.

Employees covered by benefit terms - At June 30, 2019, the membership was as follows:

Active	196
Retirees and Beneficiaries	85
Inactive and deferred benefits	46
Total	327

Benefits provided - Benefits vest 50% after 5 years, increasing 5% a year to 100% after 15 years. County employees who retire at or after age 55 or after 25 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.4% of their final average earnings for each year of service up to 20, plus 2% of final average earnings for service over 20 years and up to 27 years. The Plan also provides for death and disability benefits to participating employees. Benefit provisions and all other requirements are established by a County-appointed Board of Trustees.

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Contribution - The contributions made to the Plan for fiscal 2019 totaling \$2,500,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2018.

Investments

Investment policy – The pension plan’s policy in regard to the targeted allocation of invested assets is based on the County’s investment advisors recommendations.

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	42.5%-61.5%
International equity	10.5%-15.5%
Fixed income	20.0%-40.0%
Private equity	5.0%
Total	100.0%

Rate of return – For the year ended June 30, 2019, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 4.02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The County’s net pension liability, for the measurement period of June 30, 2018 to June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions and methods – The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

<u>Funding method</u>	<u>Projected Unit Credit</u>
Inflation rate	2.5%
Salary increases:	
Correctional Officers	4.00% - 7.25%, based on age
Deputy Sheriffs	5.00% - 7.25%, based on age
Investment rate of return	7.25%
Mortality	RP-2006 with generational projection using scale MP-2017

Long-term rate of return – The long-term rate of return on the pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of returns (expected returns, net of pension plan investment expense and inflation) are developed for each class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of July 1, 2018 are summarized in the following table:

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<u>Asset Classes</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. equity	6.40%
Small Cap U.S. equity	6.90%
International equity	7.40%
Core U.S. fixed income	3.50%
Private equity	8.60%

Discount rate – The discount rate of 7.25% was selected by the County. Based on the target allocation of the trust fund and the actuarial current economic model for future investment returns, it is estimated that there is an approximately a 40% chance the fund will average more than this return and a 60% chance the fund will average less than this return over the next 30 years.

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at 06/30/18	\$88,412,814	\$90,041,152	\$(1,628,338)
Changes for the year:			
Service cost	3,161,675	-0-	3,161,675
Interest on the total pension liability	6,298,609	-0-	6,298,609
Difference between expected and actual experience	(6,701,698)	-0-	(6,701,698)
Change of assumptions	(6,113,843)	-0-	(6,113,843)
Contributions - employer	-0-	2,500,000	(2,500,000)
Contributions – employee	-0-	1,059,021	(1,059,021)
Net investment income	-0-	4,068,463	(4,068,463)
Benefit payments	(3,070,906)	(3,070,906)	-0-
Administrative expense	-0-	(555,997)	555,997
Net changes	8,661,561	4,000,581	4,660,980
Balance at 06/30/19	\$97,074,375	\$94,071,733	\$3,032,642

Sensitivity of the net pension liability – The following presents the net pension liability of the County, calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25)</u>	<u>Current Discount Rate (7.25)</u>	<u>1% Increase (8.25)</u>
Total pension liability	\$112,418,958	\$97,074,375	\$84,252,287
Plan fiduciary net position	(94,041,733)	(94,041,733)	(94,041,733)
County's net pension liability	<u>\$18,377,225</u>	<u>\$3,032,642</u>	<u>\$(9,789,446)</u>

Pension plan fiduciary net position - For the year ended June 30, 2019, the County recognized pension income of \$14,767,580. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-0-	\$7,589,712
Changes of assumptions	-0-	6,878,914
Net difference between expected and actual earnings	-0-	478,044
Total	-0-	\$14,946,670

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$(2,326,986)
2021	(3,552,947)
2022	(2,395,844)
2023	(1,008,854)
2024	(1,414,393)
2025 and after	(4,247,646)
Total	<u><u>\$ (14,946,670)</u></u>

3. Calvert County Employees Retirement Plan

Summary of Significant Accounting Policies

Pensions – Investments are reported at fair market value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The net pension liability was computed using the Entry Age Normal Cost Method as a part of an actuarial valuation performed as of July 1, 2018.

Plan Description

Plan administration -The County contributes to the Calvert County Employees Retirement Plan (the Plan), a single employer defined benefit pension plan that provides retirement benefits and death and disability benefits to participating employees and their beneficiaries. All full-time employees of the County plus part-time employees working at least 50% of a regular work week and employees of the office of the State's Attorney and the Calvert County Housing Authority were eligible to participate in the Plan. If hired before July 1, 1996, benefits vest 100% for service greater or equal to 5 years, or if hired on or after July 1, 1996, benefits vest 100% for service greater or equal to seven years. No new participants were added to this plan after the adoption of the Calvert County Employee Retirement Savings Plan.

Management of the Employees Retirement Plan is vested in the Board of Trustees, which consists of eight members appointed by the BOCC. The Trustee officer's include one employee who is a plan participant and appointed by the Calvert County Employee Representative Committee, one employee who a plan participant and appointed by the BOCC, the County Administrator, Director of Public Safety, Director of Finance and Budget, the Deputy Director of Finance and Budget, and three outside members who are appointed by the

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BOCC and who are residents of the County and who have expertise in pension administration, investing or finance, and who are not County employees or elected or appointed County officials.

Employees covered by benefit terms - At June 30, 2019, the membership was as follows:

Active	71
Retirees and beneficiaries	193
Inactive and deferred benefits	88
Total	283

Benefits provided - County employees in this plan are eligible to receive retirement benefits the first month following completion of 30 years of eligibility service or (1) if hired prior to July 1, 1996, first month following attainment of age 62, completion of 2 years eligibility service and sum of age and service is at least 67, and (2) if hired on or after July 1, 1996, the first of the month following attainment of age 62 and completion of 7 years of eligible service. Benefits are payable monthly for life, in an amount equal to 1.5% of the average final salary (the highest consecutive thirty-six month period of base pay) up to covered compensation for each year of service up to 30 years plus .3% of average final salary over the Social Security integration level for each year of service up to 30 years, plus 1.0% of the average final salary for each year in excess of 30 years up to 5 years. Benefit provisions and all other requirements are established by the County Commissioners and administered by a County-appointed Board of Trustees.

Contribution - The contributions made to the Plan for fiscal 2019 totaling \$2,800,000 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2018.

Investments

Investment policy – The pension plan’s policy in regard to the targeted allocation of invested assets is based on the County’s investment advisors recommendations.

<u>Asset Class</u>	<u>Target Allocation</u>
US equity	42.50% - 61.50%
International equity	10.50% - 15.50%
US fixed income	20.0% - 40.00%
Private equity	5.0%
Total	100.0%

Rate of return – For the year ended June 30, 2019, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 3.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The County’s net pension liability, for the measurement period of June 30, 2018 to June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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Actuarial assumptions and methods – The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Funding method	Entry Age Normal
Inflation rate	2.5%
Salary increases	2.5%
Investment rate of return	7.25%
Mortality	RP-2006 with generational projection using scale MP-2017

Long-term rate of return – The long-term rate of return on the pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of returns (expected returns, net of pension plan investment expense and inflation) are developed for each class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2018 are summarized in the following table:

Asset Classes	Long-term Expected Real Rate of Return
Large Cap U.S. equity	6.40%
Small Cap U.S. equity	6.90%
International equity	7.40%
Core US fixed income	3.50%
Private equity	8.60%

Discount rate – The discount rate of 7.25% was selected by the County. Based on the target allocation of the trust fund and the actuarial current economic model for future investment returns, it is estimated that there is approximately a 40% chance the fund will average more than this return and a 60% chance the fund will average less than this return over the next 30 years.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 06/30/18	\$87,842,224	\$79,785,548	\$8,056,676
Changes for the year:			
Service cost	497,957	-0-	497,957
Interest on the total pension liability	6,206,058	-0-	6,206,058
Difference between expected and actual experience	6,343,477	-0-	6,343,477
Contributions - employer	-0-	2,800,000	(2,800,000)
Contributions – employee	-0-	123,463	(123,463)
Net investment income	-0-	3,131,578	(3,131,578)
Change in assumptions	(4,805,771)	-0-	(4,805,771)
Benefit payments	(4,482,833)	(4,482,833)	-0-
Administrative expense	-0-	(47,911)	47,911
Net changes	2,580,310	1,426,355	1,153,955
Balance at 06/30/19	\$90,422,534	\$81,211,903	\$9,210,631

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Sensitivity of the net pension liability – The following presents the net pension liability of the County, calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25)	Current Discount Rate (7.25)	1% Increase (8.25)
Total pension liability	\$100,453,470	\$90,422,534	\$81,993,585
Plan fiduciary net position	(81,211,903)	(81,211,903)	(81,211,903)
County's net pension liability	\$19,241,567	\$9,210,631	\$781,682

Pension plan fiduciary net position - For the year ended June 30, 2019, the County recognized pension expense of \$3,260,611. As of June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-0-	-0-
Changes of assumptions	-0-	-0-
Net difference between expected and actual earnings	-0-	449,354
Total	-0-	\$449,354

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$168,423
2021	(1,052,539)
2022	(87,267)
2023	522,029
2024 and after	-0-
Total	\$(449,354)

4. Calvert County Maryland Other Post-Employment Benefits Trust

Summary of Significant Accounting Policies

OPEB – Calvert County Government has established an irrevocable trust with Calvert County Public Schools (CCPS). Approximately, 28% of the assets are related to Calvert County Government and 72% is related to the CCPS. The percentage is reviewed annually. The CCPS issues separate financial statements in which portions have been included. Investments are reported at fair market value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The net OPEB liability was computed using the Entry Age Normal Cost Method as a part of an actuarial valuation performed as of June 30, 2019.

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Plan Description

Plan administration - The County contributes to the Calvert County Maryland Other Post-Employment Benefit Trust (Plan), an agent multiple employer defined benefit postemployment healthcare plan. Benefit provisions and all other requirements are established by the County Commissioners and the County Board of Education and administered by a jointly appointed Board of Trustees. The plan provides healthcare, prescription drug and dental benefits to retired employees, spouses and dependents, of participating governmental entities. The plan also provides life insurance benefits for retirees of the Board of Education. Active employees of a participating governmental entity who retire or are disabled and meet the eligibility criteria will participate. Generally employees must have retired from a participating entity to be eligible.

Management of the Other Post-Employment Benefit Trust (Plan), is vested in the Board of Trustees, which consists of nine members. The Trustee officer's include three Calvert County Public School (CCPS) employees, who are appointed by the Board of Education. The other six consist of three County employees and three citizens with expertise in either funding retiree health care benefits, in health benefits administration, in the economics of affordable retiree health care programs, or in investing pension fund assets, or in finance, who are residents of the county and who are not County or CCPS employees of either entity or participants in any County or CCPS retirement plan.

Employees covered by benefit terms - At June 30, 2019, the membership was as follows:

	<u>County</u>	<u>Board of Education</u>
Active	860	1,768
Retirees and spouses	242	793
Total	1,102	2,561

Benefits provided - The Calvert County Board of County Commissioners will establish annually a health insurance subsidy amount under the Plan. These subsidies will be reviewed annually and are subject to change based on budgetary constraints. For retirees who retired before June 30, 2008, the subsidy is 90% of the premium, for retirees who retired after June 30, 2008 the subsidy is 75% of the premium. Retirees who retired prior to August 1, 1994 receive 100% of their individual policy and 50% of the difference between the individual policy and the policy selected. Retirees will earn or vest in the subsidy based upon their years of creditable service, at a rate ranging from 20% to 100%. Current retirees, who have a 100% subsidy, equate to the Plan covering 75% of their cost of benefit coverage. The retiree is responsible for the difference between the cost of the selected Plan and the earned subsidy. The Board of Education establishes the level of benefits for its retirees which includes health care and life insurance benefits.

Contribution - The pay-as-you-go contribution made to the plan for fiscal year 2019 totaled \$4,001,740.

Investments

Investment policy - The pension plan's policy in regard to the targeted allocation of invested assets is based on the County's investment advisors recommendations.

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. equity	56.0%
International equity	19.0%
U.S. fixed income	20.0%
Private equity	5.0%
Total	100.0%

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Rate of return – For the year ended June 30, 2019, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 2.73%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The County's net OPEB liability, for the measurement period of June 30, 2018 to June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions and methods – The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Funding method	Entry Age Normal
Inflation rate	2.4%
Investment rate of return	5.50%
Mortality	RP-2014 combined healthy generational mortality table

Long-term rate of return – The long-term rate of return on the OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of returns (expected returns, net of pension plan investment expense and inflation) are developed for each class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2019 are summarized in the following table:

Asset Classes	Long-term Expected Real Rate of Return
Large Cap U.S. equity	6.40%
Small Cap U.S. equity	6.90%
International equity	7.40%
US fixed income	3.50%
Private equity	8.60%

Discount rate – The discount rate of 5.00% was selected by the County. Based on the target allocation of the trust fund and the actuarial current economic model for future investment returns, it is estimated that there is an approximately a 40% chance the fund will average more than this return and a 60% chance the fund will less than this return over the next 30 years.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at 06/30/18	\$67,194,948	\$23,517,592	\$43,677,356
Changes for the year:			
Service cost	3,614,424	-0-	3,614,424
Interest on the total OPEB liability	4,254,375	-0-	4,254,375
Difference between expected and actual experience	10,649,334	-0-	10,649,334
Change in assumption	(17,428,036)	-0-	(17,428,036)
Contributions - employer	-0-	4,001,740	(4,001,740)
Contributions – employee	-0-	-0-	-0-

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Net investment income	-0-	672,155	(672,155)
Benefit payments	(1,655,095)	(1,655,095)	-0-
Administrative expense	-0-	-0-	-0-
Net changes	(564,998)	3,018,800	(3,583,798)
Balance at 06/30/19	\$66,629,950	\$26,536,392	\$40,093,558

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the County, calculated using the discount rate of 7.00%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00)	Current Discount Rate (7.00)	1% Increase (8.00)
Total OPEB liability	\$77,548,493	\$68,383,724	\$57,866,616
Plan fiduciary net position	(26,536,392)	(26,536,392)	(26,536,392)
County's net OPEB liability	\$51,012,101	\$40,093,558	\$31,330,224

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the County, calculated using the healthcare cost trend rates 6.00% decreasing to 3.00%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00% decreasing to 4.00%) or 1-percentage-point higher (8.00% decreasing to 5.00%) than the current healthcare trend rates:

	1% Decrease (6.00% decreasing to 3.00%)	Current Discount Rate (7.00% decreasing to 4.00%)	1% Increase (8.00% decreasing to 5.00%)
Total OPEB liability	\$56,910,841	\$68,383,724	\$79,027,247
Plan fiduciary net position	(26,536,392)	(26,536,392)	(26,536,392)
County's net OPEB liability	\$30,374,449	\$40,093,558	\$52,490,855

OPEB plan fiduciary net position - For the year ended June 30, 2019, the County recognized OPEB income of \$3,967,742. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$2,571,984	-0-
Changes of assumptions	-0-	18,977,502
Net difference between expected and actual earnings	383,766	-0-
Total	\$2,995,750	\$18,977,502

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:	
2020	\$(2,172,693)
2021	(2,172,693)
2022	(2,172,693)
2023	(2,018,961)
2024	(2,230,204)
2025 and after	(5,214,508)
Total	<u>\$(15,981,752)</u>

5. Calvert County's Employee Retirement Savings Plan

On July 28, 1998, the Commissioners approved the formation of a single employer defined contribution pension plan with a 5% County contribution and a required 3% contribution from all eligible employees. The plan was put in place January 1, 1999. All employees hired after June 30, 1998 were automatically enrolled in the defined contribution pension plan. Required contributions and all other plan provisions are established by the County Commissioners and administered by a County-appointed Board of Trustees. The contributions by the County and the employees for the year ended June 30, 2019 were \$1,456,905 and \$907,088, respectively.

6. Maryland State Retirement and Pension System

Plan Description - The State Retirement Agency (the Agency) is the administrator of the System, a cost-sharing multiple-employer public-employee retirement system. The System was established by the State Personnel and Pension Articles of the Annotated Code of Maryland Rules and Regulations and provides retirement allowances to System members and beneficiaries. Responsibility for the administration and operation of the System is vested with a 14-member Board of Trustees. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained at <http://www.sra.state.md.us> or by writing to the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202 or by calling (800) 492-5909.

The computation of the pension contribution requirements for fiscal year 2015 was based on the same actuarial assumptions, benefits provisions, actuarial funding method and other significant factors used to determine pension contributions requirements in the previous year. Contributions by the State of Maryland on behalf of the Calvert County Public Library were \$373,453, \$449,770, and \$412,030, for the years ended June 30, 2019, 2018 and 2017. In accordance with GASB Statement Number 24, the State's 2019 contribution amount has been shown as State aid revenue and pension expenditure.

B. Component Unit – Board of Education

Teachers' Pension System

Plan description

Plan administration - The employees of the Board are covered by the Maryland State Retirement and Pension System (the System), which is a cost sharing employer public employee retirement system. While there are five retirement and pension systems under the System, employees of the Board are a member of either the Teachers' Retirement and Pension Systems or the Employees' Retirement and Pension Systems. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. The Plans are administered by the State Retirement Agency. Responsibility for the System's administration and operation is vested in a 15-member Board of

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Trustees. The System issues a publically available financial report that can be obtained at <http://www.sra.state.md.us>.

Benefits provided - The System provides retirement allowances and other benefits to State teachers and employees of participating governmental units, among others. For individuals who become members of the Teachers' Retirement and Pension Systems and the Employees' Retirement and Pension Systems on or before June 30, 2011, retirement/pension allowances are computed using both the highest three years Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For individuals who become members of the Teachers' Pension System and Employees' Pension System on or after July 1, 2011, pension allowances are computed using both the highest five years AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retiree's benefits allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

A member of either the Teachers' or Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

A member of either the Teachers' or Employees' Pension System on or before June 30, 2011 is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the members' combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

For most individuals who retired from either the Teachers' or Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the members AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998, plus 1.4% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Teachers' or Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998 plus 1.8% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. Beginning in July 1, 2011, any new member of the Teachers' or Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Teachers' or Employees' Pension System.

Contributions - The Board and covered members are required by State statute to contribute to the System. Members of the Teachers' Pension System and Employees' Pension System are required to contribute 7% annually. Members of the Teachers' Retirement System and Employees' Retirement System are required to contribute 5-7% annually, depending on the retirement option selected. The contribution requirements of the System members, as well as the State and participating governmental employers are established and may be amended by the Board of Trustees for the System.

Beginning in FY2019, the Board pays the normal cost for their employees in the Teachers' Retirement and Pension System while the State contributes on behalf of the Board, the unfunded liability portion of the Board's annual required contribution to the Teachers' Retirement and Pension System. The Board's normal cost for the year ended June 30, 2019 was \$5,023,147. The State's contributions on behalf of the Board for the year ended June 30, 2019 was \$13,093,939. The FY2019 contribution made by the State on behalf of the Board was been included as both revenue and expenditures in the general fund in the accompanying

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Statement of Revenues, Expenditures and Changes in Fund Balance and is also included as revenues and expenses in the Statement of Activities.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Teacher's Retirement and Pension Systems - At June 30, 2019, the Calvert County Public Schools (CCPS) did not report a liability related to the Teachers' Retirement and Pension Systems due to a special funding situation. The State of Maryland pay the unfunded liability for CCPS and CCPS pays the normal costs related to CCPS' members in the Teachers Retirement and Pension system; therefore, CCPS is not required to record its share of the unfunded pension liability but instead, that liability is recorded by the State of Maryland. The amount recognized by CCPS as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with CCPS was as follows:

CCPS' proportionate share of the net pension liability	-0-
State's proportionate share of net pension liability of CCPS	137,773,982
Total	\$137,773,982

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2019, CCPS recognized pension expense of \$18,117,086 and revenue of \$13,093,939 for support provided by the State. Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the Board did not report deferred outflows of resources and deferred inflows of resources related to the Teachers Retirement and Pension Systems.

Actuarial assumptions - The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Funding method	Entry Age Normal
Inflation rate	2.60% general, 3.10% wage
Salary increases	3.1% to 9.1%, including inflation
Investment rate of return	7.45%
Mortality	RP-2014 combined healthy generational mortality table

The economic and demographic actuarial assumptions used in the June 30, 2017 valuation were adopted by the System's Board of Trustees based upon review of the System's experience study for the period 2010-2014, after completion of the June 30, 2014 valuations. Certain assumptions from the experience study including mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2015. As a result, and investment return assumption of 7.45% and an inflation assumption of 2.60% were used in the June 30, 2018 valuation.

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-range expected rate of return by weighing the expected future real rates by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the System's investment consultant(s) and actuary(s).

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

For each major asset class that is included in the System's target asset allocation, these best estimates are summarized in the following table:

<u>Asset Classes</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equity	37%	5.80%
Private equity	13%	6.70%
Rate sensitive	19%	1.10%
Credit opportunity	9%	3.60%
Real assets	14%	4.80%
Absolute return	8%	3.20%
Total	100%	

The above was the System's Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2018.

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 8.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate - The single discount rate used to measure the total pension liability was 7.45%. This single discount rate was based on the expected rate of return on pension plan investments of 7.45%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability – Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, CCPS did not record a net pension liability related to the Teachers Retirement and Pension Systems.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued System's financial report.

Employees' Retirement and Pension Systems

Plan description

Plan administration - The Board's contractually required contribution rate for the Employees' Retirement and Pension Systems for the year ended June 30, 2019, was 6.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Board made its share of the required contribution during the year ended June 30, 2019 of \$1,377,248.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Employees Retirement and Pension Systems - At June 30, 2019, the Board reported a liability of \$13,413,936 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2019. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2018, the Board's proportionate share was 0.064%, which is an increase from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Board recognized pension expense of \$1,645,220. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$-0-	\$1,047,051
Changes of assumptions	406,014	-0-
Change in proportion	1,354,246	1,567,955
Net difference between expected and actual earnings	568,874	-0-
Changes in proportionate share of contributions	77,918	482
Boards contribution subsequent to the measurement date	1,377,248	-0-
Total	\$3,784,300	\$2,615,488

\$1,377,248 was reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$(409,956)
2021	(59,676)
2022	551,309
2023	339,517
2024	(212,758)

Sensitivity of the Net Pension Liability - Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Board's net pension liability, calculated using a single discount rate of 7.45%, as well as what the Board's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for the Employees Retirement and Pension Systems:

	1% Decrease (6.45)	Current Discount Rate (7.45)	1% Increase (8.45)
CCPS proportionate share of the net pension liability	\$19,320,670	\$13,413,936	\$8,511,770

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued System's financial report.

CALVERT COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 10 - Commitments and Contingent Liabilities

The Commissioners are defendants in several lawsuits. In the opinion of the County Attorney and legal counsel, pending legal proceedings are not likely to have a material adverse impact on the County's financial condition, and to the best of their knowledge, the County is in compliance with all state and local laws and ordinances.

In the decision on the case *Comptroller v. Wynne*, the US Supreme Court has ruled that Maryland's income tax system - specifically its application of county income taxes - is unconstitutional and must be altered to grant more credits for Maryland residents' out-of-state income. The tax law will allow a refund of overpayments. The State Comptroller has estimated Calvert County's liability to be about \$800k. The County has elected to have this liability as a reduction to our income tax distribution and begin in fiscal year 2019 through fiscal year 2024.

Note 11 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and related disasters. The County is a capital member of the Local Government Insurance Trust (LGIT) sponsored by the Maryland Municipal League (MML), and the Maryland Association of Counties. LGIT is a self-insured public entity risk pool offering general liability, excess liability, business auto liability, police legal liability, public official liability, environmental liability, and property coverage.

LGIT is capitalized at an actuarially determined level to provide financial stability for its local government members and to reduce the possibility of assessments. The trust is owned by the participating counties and cities and managed by a Board of Trustees elected by the members. Annual premiums are assessed for the various policy coverages. During fiscal year 2019, the County paid premiums of \$802,802 to the trust. The agreement for the formation of LGIT provides that the trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past five fiscal years.

The County procures workers' compensation coverage per Maryland Statute through Chesapeake Employers' Insurance Company. During fiscal year 2019, the County paid premiums for the coverage in the amount of \$2,071,293. In addition to coverage through LGIT and Chesapeake, the County procures numerous specialty insurance policies, which include but are not limited to Inland Marine through Travelers, Hull and P&I through Navigators Insurance Company, and Fiduciary Coverage through Chubb Group.

The County is under a modified retrospective billing arrangement with a commercial insurance carrier to provide group health coverage. Under this arrangement the insurance carrier assesses an initial charge paid by the County through monthly premiums. At the end of the coverage period, there is a settlement of the difference between the billed premium and the actual claims and expenses. A deficiency in the billed premium represents the callable margin, which is owed by the County, up to a maximum of 5% in the current year. If the actual claims and expenses are less than the billed premium, the County would be entitled to a refund.

Note 12 - Subsequent Events

In preparing these financial statements, the management of Calvert County, Maryland has evaluated events and transactions for potential recognition or disclosure through December 20, 2019, the date the financial statements were available to be issued.

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019*

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF CHANGES IN THE COUNTY'S NET POSITION LIABILITY AND RELATED RATIOS
 Volunteer Fire and Rescue Pension Fund
 Last 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Total pension liability						
Service costs	\$ 205,840	\$ 120,419	\$ 128,219	\$ 111,495	\$ 122,128	\$ 63,624
Interest	641,994	657,575	559,036	558,559	528,851	508,501
Changes in benefit terms	-	-	91,320	-	-	-
Difference between expected and actual experience	1,538,889	-	1,202,456	-	302,678	37,692
Changes of assumption	1,330,806	438,550	-	-	-	-
Benefit payments, including refunds of member contributions	(731,411)	(707,136)	(696,595)	(665,220)	(458,050)	(425,583)
Net change in total pension liability	<u>\$ 2,986,118</u>	<u>\$ 509,408</u>	<u>\$ 1,284,436</u>	<u>\$ 4,834</u>	<u>\$ 495,607</u>	<u>\$ 184,234</u>
Total pension liability - beginning	<u>9,220,796</u>	<u>8,711,388</u>	<u>7,426,952</u>	<u>7,422,118</u>	<u>6,926,511</u>	<u>6,742,277</u>
Total pension liability - ending	<u>\$ 12,206,914</u>	<u>\$ 9,220,796</u>	<u>\$ 8,711,388</u>	<u>\$ 7,426,952</u>	<u>\$ 7,422,118</u>	<u>\$ 6,926,511</u>
Plan fiduciary net position						
Contributions - employer	\$ 700,000	\$ 655,000	\$ 550,000	\$ 540,000	\$ 460,000	\$ 490,000
Net investment income	89,957	457,631	533,099	(128,504)	98,868	568,708
Benefit payments, including refunds of member contributions	(731,411)	(707,136)	(696,595)	(665,220)	(458,050)	(425,583)
Administrative expense	(41,974)	(67,861)	(10,500)	(10,500)	(10,500)	-
Net change in plan fiduciary net position	<u>\$ 16,572</u>	<u>\$ 337,634</u>	<u>\$ 376,004</u>	<u>\$ (264,224)</u>	<u>\$ 90,318</u>	<u>\$ 633,125</u>
Plan fiduciary net position - beginning	<u>4,157,741</u>	<u>3,820,107</u>	<u>3,444,103</u>	<u>3,708,327</u>	<u>3,618,009</u>	<u>2,984,884</u>
Plan fiduciary net position - ending	<u>\$ 4,174,313</u>	<u>\$ 4,157,741</u>	<u>\$ 3,820,107</u>	<u>\$ 3,444,103</u>	<u>\$ 3,708,327</u>	<u>\$ 3,618,009</u>
County's net pension liability - ending	<u>\$ 8,032,601</u>	<u>\$ 5,063,055</u>	<u>\$ 4,891,281</u>	<u>\$ 3,982,849</u>	<u>\$ 3,713,791</u>	<u>\$ 3,308,502</u>
Plans fiduciary net position as a percentage of the total pension liability	34.20%	45.09%	43.85%	46.37%	49.96%	52.23%
Covered - payroll	N/A	N/A	N/A	N/A	N/A	N/A
County's net pension liability as a percentage of covered - payroll	N/A	N/A	N/A	N/A	N/A	N/A

Notes to the schedule:
 The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF COUNTY CONTRIBUTIONS
Volunteer Fire and Rescue Pension Fund
Last 6 Fiscal Years

	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Actuarially determined contribution	\$ 758,355	\$ 758,355	\$ 588,817	\$ 577,476	\$ 527,593	\$ 517,903
Contributions in relation to the actuarially determined contribution	700,000	655,000	550,000	540,000	460,000	490,000
Contribution deficiency (excess)	<u>\$ 58,355</u>	<u>\$ 103,355</u>	<u>\$ 38,817</u>	<u>\$ 37,476</u>	<u>\$ 67,593</u>	<u>\$ 27,903</u>
Covered - payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contribution as a percentage of covered - payroll	N/A	N/A	N/A	N/A	N/A	N/A

Notes to schedule:

Valuation date:

7/1/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar
Remaining amortization period	Closed level dollar 20-year of the UAAL
Asset valuation method	Smoothing gains and losses
Inflation rate	2.2%
Salary increases	N/A
Investment rate of return	7.25% , net of pension plan investment expense, including inflation.
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general plan members were adjusted to more closely reflect the actual experience.
Mortality	RP-2006 with generational projection using scale MP-2017.

Notes to the schedule:

The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
 Volunteer Fire and Rescue Pension Fund
 Last 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Annual money-weighted rate of return, net of investment expense	2.16%	10.98%	15.75%	-2.90%	2.50%	18.21%

Notes to the schedule:
 The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF CHANGES IN THE COUNTY'S NET POSITION LIABILITY AND RELATED RATIOS
Sheriff's Department Pension Plan
Last 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Total pension liability						
Service costs	\$ 3,161,675	\$ 2,419,006	\$ 2,239,796	\$ 3,400,300	\$ 3,234,332	\$ 1,429,134
Interest	6,298,609	6,449,759	6,004,066	6,055,832	5,534,365	5,419,116
Changes in benefit terms	15,087,724	-	-	-	48,849	-
Difference between expected and actual experience	(6,701,698)	1,919,014	-	(6,405,710)	-	148,423
Changes of assumptions	(6,113,843)	(1,827,921)	-	-	-	-
Benefit payments, including refunds of member contributions	(3,070,906)	(2,651,987)	(2,691,653)	(2,428,998)	(2,087,183)	(1,969,869)
Net change in total pension liability	<u>\$ 8,661,561</u>	<u>\$ 6,307,871</u>	<u>\$ 5,552,209</u>	<u>\$ 621,424</u>	<u>\$ 6,730,363</u>	<u>\$ 5,026,804</u>
Total pension liability - beginning	<u>88,412,814</u>	<u>82,104,943</u>	<u>76,552,734</u>	<u>75,931,310</u>	<u>69,200,947</u>	<u>64,174,143</u>
Total pension liability - ending	<u>\$ 97,074,375</u>	<u>\$ 88,412,814</u>	<u>\$ 82,104,943</u>	<u>\$ 76,552,734</u>	<u>\$ 75,931,310</u>	<u>\$ 69,200,947</u>
Plan fiduciary net position						
Contributions - employer	\$ 2,500,000	\$ 2,290,000	\$ 3,200,000	\$ 3,050,000	\$ 3,060,000	\$ 2,960,000
Contributions - member	1,059,021	1,046,498	942,266	917,877	930,459	951,992
Net investment income	4,068,463	9,586,743	10,607,920	(1,058,909)	2,721,741	9,017,398
Benefit payments, including refunds of member contributions	(3,070,906)	(2,651,987)	(2,691,653)	(2,428,998)	(2,087,183)	(1,969,869)
Administrative expense	(555,997)	(36,564)	(73,277)	(21,871)	(45,506)	-
Net change in plan fiduciary net position	<u>\$ 4,000,581</u>	<u>\$ 10,234,690</u>	<u>\$ 11,985,256</u>	<u>\$ 458,099</u>	<u>\$ 4,579,511</u>	<u>\$ 10,959,521</u>
Plan fiduciary net position - beginning	<u>90,041,152</u>	<u>79,806,462</u>	<u>67,821,206</u>	<u>67,363,107</u>	<u>62,783,596</u>	<u>51,824,075</u>
Plan fiduciary net position - ending	<u>\$ 94,041,733</u>	<u>\$ 90,041,152</u>	<u>\$ 79,806,462</u>	<u>\$ 67,821,206</u>	<u>\$ 67,363,107</u>	<u>\$ 62,783,596</u>
County's net pension liability (asset) - ending	<u>\$ 3,032,642</u>	<u>\$ (1,628,338)</u>	<u>\$ 2,298,481</u>	<u>\$ 8,731,528</u>	<u>\$ 8,568,203</u>	<u>\$ 6,417,351</u>
Plans fiduciary net position as a percentage of the total pension liability	96.88%	101.84%	97.20%	88.59%	88.72%	90.73%
Covered - payroll	\$ 13,002,472	\$ 13,027,560	\$ 12,035,337	\$ 11,354,092	\$ 12,111,242	\$ 11,425,700
County's net pension liability as a percentage of covered - payroll	23.32%	-12.50%	19.10%	76.90%	70.75%	56.17%

Notes to the schedule:
The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF COUNTY CONTRIBUTIONS
Sheriff's Department Pension Plan
Last 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Actuarially determined contribution	\$ 2,768,988	\$ 2,287,897	\$ 2,721,830	\$ 3,065,888	\$ 3,028,756	\$ 2,957,525
Contributions in relation to the actuarially determined contribution	2,500,000	2,290,000	3,200,000	3,050,000	3,060,000	2,960,000
Contribution deficiency (excess)	<u>\$ 268,988</u>	<u>\$ (2,103)</u>	<u>\$ (478,170)</u>	<u>\$ 15,888</u>	<u>\$ (31,244)</u>	<u>\$ (2,475)</u>
Covered payroll	\$ 13,002,472	\$ 13,027,560	\$ 12,035,337	\$ 11,354,092	\$ 12,111,242	\$ 11,425,700
Contribution as a percentage of covered payroll	19.23%	17.58%	26.59%	26.86%	25.27%	25.91%

Notes to schedule:

Valuation date: 7/1/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit				
Amortization method	Level dollar				
Remaining amortization period	Remaining amortization periods range from 1-20 years				
Asset valuation method	Smoothing gains and losses				
Inflation rate	2.5%				
Salary increases	<u>To age 37:</u>	<u>Ages 38 to 42:</u>	<u>Ages 42 to 49:</u>	<u>After age 49:</u>	
	Correctional Officers	7.25%	6.00%	5.00%	4.00%
	Deputy Sheriffs	7.25%	5.00%	5.00%	5.00%
Investment rate of return	7.25% , net of pension plan investment expense.				
Retirement age	Rates vary by age until 100% retirement at the age earlier of age 59 or completion of 31 years of service.				
Mortality	RP-2006 with generational projection using scale MP-2017.				

Notes to the schedule:

The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
 Sheriff's Department Pension Plan
 Last 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Annual money-weighted rate of return, net of investment expense	4.42%	11.82%	15.75%	-2.90%	2.50%	18.21%

Notes to the schedule:
 The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF CHANGES IN THE COUNTY'S NET POSITION LIABILITY AND RELATED RATIOS
Calvert County Employees Retirement Plan
Last 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Total pension liability						
Service costs	\$ 497,957	\$ 683,100	\$ 697,192	\$ 799,446	\$ 878,256	\$ 677,466
Interest	6,206,058	6,071,785	5,935,855	5,746,021	5,577,218	5,345,363
Changes in benefit terms	(1,178,578)	-	-	-	-	-
Difference between expected and actual experience	6,343,477	1,593,955	(964,962)	(396,534)	(862,126)	(432,297)
Change in assumptions	(4,805,771)	3,903,321	-	-	-	-
Benefit payments, including refunds of member contributions	(4,482,833)	(4,068,969)	(3,737,331)	(3,462,242)	(3,215,226)	(3,121,513)
Net change in total pension liability	<u>\$ 2,580,310</u>	<u>\$ 8,183,192</u>	<u>\$ 1,930,754</u>	<u>\$ 2,686,691</u>	<u>\$ 2,378,122</u>	<u>\$ 2,469,019</u>
Total pension liability - beginning	<u>87,842,224</u>	<u>79,659,032</u>	<u>77,728,278</u>	<u>75,041,587</u>	<u>72,663,465</u>	<u>70,194,446</u>
Total pension liability - ending	<u>\$ 90,422,534</u>	<u>\$ 87,842,224</u>	<u>\$ 79,659,032</u>	<u>\$ 77,728,278</u>	<u>\$ 75,041,587</u>	<u>\$ 72,663,465</u>
Plan fiduciary net position						
Contributions - employer	\$ 2,800,000	\$ 2,710,000	\$ 2,900,000	\$ 2,570,000	\$ 2,918,950	\$ 2,890,000
Contributions - member	123,463	118,731	116,704	130,509	140,745	154,037
Net investment income	3,448,805	9,127,100	9,818,496	(987,242)	2,667,157	9,406,336
Benefit payments, including refunds of member contributions	(4,482,833)	(4,068,969)	(3,737,331)	(3,462,242)	(3,215,226)	(3,121,513)
Administrative expense	(463,080)	(460,408)	(33,714)	(82,004)	(55,344)	-
Net change in plan fiduciary net position	<u>\$ 1,426,355</u>	<u>\$ 7,426,454</u>	<u>\$ 9,064,155</u>	<u>\$ (1,830,979)</u>	<u>\$ 2,456,282</u>	<u>\$ 9,328,860</u>
Plan fiduciary net position - beginning	<u>79,785,548</u>	<u>72,359,094</u>	<u>63,294,939</u>	<u>65,125,918</u>	<u>62,669,636</u>	<u>53,340,776</u>
Plan fiduciary net position - ending	<u>\$ 81,211,903</u>	<u>\$ 79,785,548</u>	<u>\$ 72,359,094</u>	<u>\$ 63,294,939</u>	<u>\$ 65,125,918</u>	<u>\$ 62,669,636</u>
County's net pension liability - ending	<u>\$ 9,210,631</u>	<u>\$ 8,056,676</u>	<u>\$ 7,299,938</u>	<u>\$ 14,433,339</u>	<u>\$ 9,915,669</u>	<u>\$ 9,993,829</u>
Plans fiduciary net position as a percentage of the total pension liability	89.81%	90.83%	90.84%	81.43%	86.79%	86.25%
Covered - payroll	\$ 4,156,676	\$ 4,731,068	\$ 5,883,409	\$ 6,010,496	\$ 6,871,888	\$ 7,078,232
County's net pension liability as a percentage of covered - payroll	221.59%	170.29%	124.08%	240.14%	144.29%	141.19%

Notes to the schedule:
The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF COUNTY CONTRIBUTIONS
Calvert County Employees Retirement Plan
Last 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Actuarially determined contribution	\$ 2,634,078	\$ 2,506,054	\$ 2,410,212	\$ 2,468,741	\$ 2,593,069	\$ 2,712,733
Contributions in relation to the actuarially determined contribution	2,800,000	2,710,000	2,900,000	2,570,000	2,918,950	2,890,000
Contribution deficiency (excess)	<u>\$ (165,922)</u>	<u>\$ (203,946)</u>	<u>\$ (489,788)</u>	<u>\$ (101,259)</u>	<u>\$ (325,881)</u>	<u>\$ (177,267)</u>
Covered - payroll	\$ 4,156,676	\$ 4,731,068	\$ 5,883,409	\$ 6,010,496	\$ 6,871,888	\$ 7,078,232
Contribution as a percentage of covered - payroll	67.36%	57.28%	49.29%	42.76%	42.48%	40.83%

Notes to schedule

Valuation date: 7/1/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Remaining amortization periods range from 1-20 years
Asset valuation method	Smoothing gains and losses
Inflation rate	2.5%
Salary increases	2.5%
Investment rate of return	7.25% , net of pension plan investment expense, including inflation.
Retirement age	In the 2019 actuarial valuation, rates vary by age until 100% retirement assumed at age 70.
Mortality	RP-2006 with generational projection using scale MP-2017.

Notes to the schedule:

The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
 Calvert County Employees Retirement Plan
 Last 6 Fiscal Years

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Annual money-weighted rate of return, net of investment expense	3.89%	10.98%	15.75%	-2.90%	2.50%	18.21%

Notes to the schedule:
 The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS
Calvert County Maryland Post-Employment Benefit Plan
Last 3 Fiscal Years

	FY2019	FY2018	FY2017
Total OPEB liability			
Service costs	\$ 3,614,424	\$ 2,483,919	\$ 2,358,717
Interest	4,254,375	3,885,946	984,721
Changes in benefit terms	-	-	-
Difference between expected and actual experience	10,649,334	(9,539,547)	-
Change in assumptions	(17,428,036)	(3,982,782)	-
Benefit payments, including refunds of member contributions	(1,655,095)	(1,753,774)	-
Net change in total OPEB liability	<u>\$ (564,998)</u>	<u>\$ (8,906,238)</u>	<u>\$ 3,343,438</u>
Total OPEB liability - beginning	<u>67,194,948</u>	<u>76,101,186</u>	<u>72,757,748</u>
Total OPEB liability - ending	<u><u>\$ 66,629,950</u></u>	<u><u>\$ 67,194,948</u></u>	<u><u>\$ 76,101,186</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 4,001,740	\$ 5,828,354	\$ -
Contributions - member	-	-	-
Net investment income	672,155	2,121,549	2,408,736
Benefit payments, including refunds of member contributions	(1,655,095)	(1,753,774)	-
Administrative expense	-	(5,099)	(156,887)
Net change in plan fiduciary net position	<u>\$ 3,018,800</u>	<u>\$ 6,191,030</u>	<u>\$ 2,251,849</u>
Plan fiduciary net position - beginning	<u>23,517,592</u>	<u>17,326,562</u>	<u>15,074,713</u>
Plan fiduciary net position - ending ⁽¹⁾	<u><u>\$ 26,536,392</u></u>	<u><u>\$ 23,517,592</u></u>	<u><u>\$ 17,326,562</u></u>
County's net pension liability - ending	<u><u>\$ 40,093,558</u></u>	<u><u>\$ 43,677,356</u></u>	<u><u>\$ 58,774,624</u></u>
Plans fiduciary net position as a percentage of the total OPEB liability	39.83%	35.00%	22.77%
Covered - payroll	\$ 64,686,224	\$ 59,953,911	\$ 55,774,906
County's net OPEB liability as a percentage of covered - payroll	61.98%	72.85%	105.38%

Notes to the schedule:

The prior year information is not available.

OPEB net position does not include the Board of Education, \$78,473,689.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**Schedule of Required Supplementary Information
SCHEDULE OF COUNTY CONTRIBUTIONS
Calvert County Maryland Post-Employment Benefit Plan
Last 3 Fiscal Years**

	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>
Actuarially determined contribution	\$ 5,699,474	\$ 5,881,875	\$ 5,881,875
Contributions in relation to the actuarially determined contribution	4,001,740	3,717,712	-
Contribution deficiency (excess)	<u>\$ 1,697,734</u>	<u>\$ 2,164,163</u>	<u>\$ 5,881,875</u>
Covered - payroll	\$ 64,686,224	\$ 59,953,911	\$ 55,774,906
Contribution as a percentage of covered - payroll	6.19%	6.20%	0.00%

Notes to schedule

Valuation date: 7/1/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	Assumed yield method with a market value adjustment
Inflation rate	2.4%
Investment rate of return	5.50%
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general plan members were adjusted to more closely reflect the actual experience.
Mortality	RP-2014 combined healthy generational mortality table.

Notes to the schedule:

The prior year information is not available.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Schedule of Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS
 Calvert County Maryland Post-Employment Benefit Plan
 Last 3 Fiscal Years

	FY2019	FY2018	FY2017
Annual money-weighted rate of return, net of investment expense	2.73%	9.72%	13.07%

Notes to the schedule:
 The prior year information is not available.

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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES
JUNE 30, 2019*

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Parks and Recreation Fund	Chesapeake Hills Golf Course Fund	Calvert Marine Museum	Planning and Zoning Special Revenue Fund	Bar Library Fund	Revolving Loan Fund
ASSETS						
Cash, cash equivalents and investments	\$ 1,414,115	\$ 78,660	\$ 1,041,101	\$ -	\$ -	\$ -
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	3,842	25,000	-	-
Notes receivable	-	-	-	-	-	-
Due from other funds	698,129	-	-	634,297	45,454	312,100
Prepaid items	-	-	969	-	-	-
Inventory	10,432	19,450	35,453	-	-	-
Total assets	<u>\$ 2,122,676</u>	<u>\$ 98,110</u>	<u>\$ 1,081,365</u>	<u>\$ 659,297</u>	<u>\$ 45,454</u>	<u>\$ 312,100</u>
LIABILITIES						
Vouchers and accounts payable	380,068	107,752	60,217	619,714	1,178	-
Notes payable	-	-	-	-	-	-
Due to other funds	-	18,345	-	-	-	-
Unearned revenue	131,138	-	6,382	-	-	-
Total liabilities	<u>511,206</u>	<u>126,097</u>	<u>66,599</u>	<u>619,714</u>	<u>1,178</u>	<u>-</u>
FUND BALANCES						
Nonspendable	10,432	19,450	35,453	-	-	-
Restricted	46,188	-	593,676	-	-	-
Committed	196,564	-	-	25,000	-	312,100
Assigned	1,358,286	(47,437)	385,637	14,583	44,276	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,611,470</u>	<u>(27,987)</u>	<u>1,014,766</u>	<u>39,583</u>	<u>44,276</u>	<u>312,100</u>
Total liabilities and fund balances	<u>\$ 2,122,676</u>	<u>\$ 98,110</u>	<u>\$ 1,081,365</u>	<u>\$ 659,297</u>	<u>\$ 45,454</u>	<u>\$ 312,100</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

Economic Development Authority Revolving Loan Fund	Calvert Co. Family Network	Grants Fund	Economic Development Incentive Fund	Excise Tax Fund	Land Preservation Fund	Board of Library Trustees for Calvert County	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,035,385	\$ 17,726	\$ 6,586,987
-	-	-	-	2,487,517	-	-	2,487,517
-	77,814	1,147,032	-	-	-	-	1,253,688
247,592	-	-	44,765	-	-	-	292,357
51,763	193,028	95,079	269,973	5,095,562	3,881,450	-	11,276,835
-	-	-	-	-	-	-	969
-	-	-	-	-	-	-	65,335
<u>\$ 299,355</u>	<u>\$ 270,842</u>	<u>\$ 1,242,111</u>	<u>\$ 314,738</u>	<u>\$ 7,583,079</u>	<u>\$ 7,916,835</u>	<u>\$ 17,726</u>	<u>\$ 21,963,688</u>
-	147,960	610,317	-	-	-	-	1,927,206
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	18,345
-	122,882	381,849	-	3,257,606	-	-	3,899,857
<u>-</u>	<u>270,842</u>	<u>992,166</u>	<u>-</u>	<u>3,257,606</u>	<u>-</u>	<u>-</u>	<u>5,845,408</u>
-	-	-	-	-	-	-	65,335
-	-	249,945	-	4,325,473	4,035,384	-	9,250,666
299,355	-	-	314,738	-	3,881,451	-	5,029,208
-	-	-	-	-	-	17,726	1,773,071
-	-	-	-	-	-	-	-
<u>299,355</u>	<u>-</u>	<u>249,945</u>	<u>314,738</u>	<u>4,325,473</u>	<u>7,916,835</u>	<u>17,726</u>	<u>16,118,280</u>
<u>\$ 299,355</u>	<u>\$ 270,842</u>	<u>\$ 1,242,111</u>	<u>\$ 314,738</u>	<u>\$ 7,583,079</u>	<u>\$ 7,916,835</u>	<u>\$ 17,726</u>	<u>\$ 21,963,688</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Parks and Recreation Fund	Chesapeake Hills Golf Course Fund	Calvert Marine Museum	Planning and Zoning Special Revenue Fund	Bar Library Fund	Revolving Loan Fund
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	1,021,405	518,269	221,160	-	-	-
Fines and forfeitures	-	-	-	-	34,586	-
Other revenue	1,418,814	78,442	489,129	48,098	4,219	-
Total revenues	2,440,219	596,711	710,289	48,098	38,805	-
EXPENDITURES						
Salaries and fringe benefits	1,832,636	681,088	2,661,851	-	-	-
Education and miscellaneous	1,347,442	352,048	819,442	39,076	21,126	-
Total expenditures	3,180,078	1,033,136	3,481,293	39,076	21,126	-
Excess (deficiency) of revenue over (under) expenditures	(739,859)	(436,425)	(2,771,004)	9,022	17,679	-
OTHER FINANCING SOURCES (USES)						
Transfer in	736,964	436,425	2,767,385	-	-	-
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	736,964	436,425	2,767,385	-	-	-
Net change in fund balance	(2,895)	-	(3,619)	9,022	17,679	-
Fund balance - beginning of year	1,614,365	(27,987)	1,018,385	30,561	26,597	312,100
Fund balance - end of year	<u>\$ 1,611,470</u>	<u>\$ (27,987)</u>	<u>\$ 1,014,766</u>	<u>\$ 39,583</u>	<u>\$ 44,276</u>	<u>\$ 312,100</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

Economic Development Authority Revolving Loan Fund	Calvert Co. Family Network	Grants Fund	Economic Development Incentive Fund	Excise Tax Fund	Land Preservation Fund	Board of Library Trustees for Calvert County	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,685,300	\$ -	\$ -	\$ 2,685,300
-	586,443	3,867,339	-	6,498	231,583	855,233	5,547,096
-	-	1,748	-	-	-	-	1,762,582
-	-	-	-	-	-	26,071	60,657
9,825	2,655	375,387	535	2,772	203,477	83,555	2,716,908
9,825	589,098	4,244,474	535	2,694,570	435,060	964,859	12,772,543
-	139,132	3,699,887	-	-	-	4,347,416	13,362,010
-	464,201	2,661,916	-	-	857,468	664,113	7,226,832
-	603,333	6,361,803	-	-	857,468	5,011,529	20,588,842
9,825	(14,235)	(2,117,329)	535	2,694,570	(422,408)	(4,046,670)	(7,816,299)
-	14,235	2,180,976	-	-	1,025,000	4,054,015	11,215,000
-	-	-	-	(2,612,200)	-	-	(2,612,200)
-	14,235	2,180,976	-	(2,612,200)	1,025,000	4,054,015	8,602,800
9,825	-	63,647	535	82,370	602,592	7,345	786,501
289,530	-	186,298	314,203	4,243,103	7,314,243	10,381	15,331,779
<u>\$ 299,355</u>	<u>\$ -</u>	<u>\$ 249,945</u>	<u>\$ 314,738</u>	<u>\$ 4,325,473</u>	<u>\$ 7,916,835</u>	<u>\$ 17,726</u>	<u>\$ 16,118,280</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Volunteer Fire and Rescue Pension Fund	Sheriff Pension Fund	Employee Retirement Fund	OPEB ⁽¹⁾	Total
ASSETS					
Cash and cash equivalents	\$ 67,667	\$ 1,945,199	\$ 1,876,940	\$ 10,553,248	\$ 14,443,054
Investments:					
Fixed income	594,893	22,606,169	18,801,024	18,470,807	60,472,893
Common stocks	-	24,413,181	22,258,836	10,680,982	57,352,999
Equity funds	2,618,241	28,059,766	20,503,170	44,998,971	96,180,148
Foreign assets	450,000	9,846,292	11,193,933	11,982,397	33,472,622
Other assets	450,000	7,197,961	6,593,402	8,314,848	22,556,211
Total investments	4,113,134	92,123,369	79,350,365	94,448,005	270,034,873
Receivables and prepaid expenses:					
Accounts receivables	-	-	-	-	-
Investment income receivables	1,413	31,739	27,701	45,338	106,191
Total receivables	1,413	31,739	27,701	45,338	106,191
Total assets	4,182,214	94,100,307	81,255,006	105,046,591	284,584,118
LIABILITIES					
Payables:					
Accounts payable	7,452	51,134	36,089	30,346	125,021
Due from local government	449	7,440	7,014	6,164	21,067
Total liabilities	7,901	58,574	43,103	36,510	146,088
Net position restricted for pensions	<u>\$ 4,174,313</u>	<u>\$ 94,041,733</u>	<u>\$ 81,211,903</u>	<u>\$ 105,010,081</u>	<u>\$ 284,438,030</u>

(1) OPEB net position includes the Board of Education, \$78,473,689.

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Volunteer Fire and Rescue Pension Fund	Sheriff Pension Fund	Employees Retirement Fund	OPEB	Total
ADDITIONS					
Contributions:					
Employer contributions	\$ 700,000	\$ 2,500,000	\$ 2,800,000	\$ 12,099,499	\$ 18,099,499
Member contributions	-	1,059,021	123,463	-	1,182,484
Prior service contributions	-	-	-	-	-
Total contributions	700,000	3,559,021	2,923,463	12,099,499	19,281,983
Investment income (loss):					
Interest and dividends	503,178	4,842,520	4,240,145	6,839,605	16,425,448
Appreciation/(depreciation) of investments	(125,124)	1,559,024	339,142	1,288,712	3,061,754
Capital gains/(loss)	(278,647)	(2,333,081)	(1,130,482)	(4,759,222)	(8,501,432)
Less investment expenses:					-
Direct investment expense	(51,424)	(555,997)	(463,080)	(319,868)	(1,390,369)
Net investment income (loss)	47,983	3,512,466	2,985,725	3,049,227	9,595,401
Total additions	747,983	7,071,487	5,909,188	15,148,726	28,877,384
DEDUCTIONS					
Distributions to participants	731,411	3,070,906	4,482,833	-	8,285,150
Total deductions	731,411	3,070,906	4,482,833	-	8,285,150
Net increase (decrease) in fiduciary net position	16,572	4,000,581	1,426,355	15,148,726	20,592,234
NET POSITION					
Net position - beginning	4,157,741	90,041,152	79,785,548	89,861,355	263,845,796
Net position - ending	\$ 4,174,313	\$ 94,041,733	\$ 81,211,903	\$ 105,010,081	\$ 284,438,030

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<u>Taxes</u>				
<u>Real Estate and Personal Property Taxes</u>				
Real estate tax	\$ 107,600,000	\$ 107,600,000	\$ 108,055,737	\$ 455,737
Corporate and personal property tax	3,400,000	3,400,000	3,437,309	37,309
Payment in lieu of tax Exelon	19,646,574	19,646,574	19,646,574	-
Payment in lieu of tax Dominion	50,905,000	50,905,000	50,905,000	-
Public utilities tax	3,650,000	3,650,000	3,701,964	51,964
Additions and abatements	200,000	200,000	(32,136)	(232,136)
Penalties and interest	500,000	500,000	603,834	103,834
Tax credit	(887,727)	(1,439,471)	(1,183,843)	255,628
Land preservation credit	(220,000)	(220,000)	(274,158)	(54,158)
Total Real Estate and Personal Property Taxes	<u>184,793,847</u>	<u>184,242,103</u>	<u>184,860,281</u>	<u>618,178</u>
<u>Other Local Taxes</u>				
Income taxes	90,700,000	90,700,000	88,732,813	(1,967,187)
Franchise tax	1,250,000	1,250,000	1,599,918	349,918
Hotel tax	750,000	750,000	752,428	2,428
Admissions and amusement tax	30,000	30,000	23,566	(6,434)
Recordation taxes	6,936,000	6,971,872	9,014,787	2,042,915
Trailer parks	120,000	120,000	103,419	(16,581)
Total Other Local Taxes	<u>99,786,000</u>	<u>99,821,872</u>	<u>100,226,931</u>	<u>405,059</u>
<u>Shared State Taxes</u>				
Highway user revenue	1,282,590	1,282,590	1,215,713	(66,877)
Total State Shared Taxes	<u>1,282,590</u>	<u>1,282,590</u>	<u>1,215,713</u>	<u>(66,877)</u>
Total Taxes	<u>285,862,437</u>	<u>285,346,565</u>	<u>286,302,925</u>	<u>956,360</u>
<u>Licenses and Permits</u>				
<u>Business Licenses and Permits</u>				
Builders' licenses	25,000	25,000	35,570	10,570
Beer, wine, and liquor licenses	135,000	135,000	169,520	34,520
Traders	95,000	95,000	95,012	12
Hawkers and peddlers	2,000	2,000	3,325	1,325
Total Business Licenses and Permits	<u>257,000</u>	<u>257,000</u>	<u>303,427</u>	<u>46,427</u>
<u>Other Permits</u>				
Animal licenses	30,707	25,000	14,575	(10,425)
Code book sales	700	700	382	(318)
Marriage licenses	3,700	3,700	4,152	452
Gambling permits	13,000	13,000	13,110	110
Total Other Permits	<u>48,107</u>	<u>42,400</u>	<u>32,219</u>	<u>(10,181)</u>
Total Licenses and Permits	<u>305,107</u>	<u>299,400</u>	<u>335,646</u>	<u>36,246</u>
<u>Intergovernmental Revenue</u>				
<u>Federal Grants</u>				
Federal Emergency Management	82,407	82,407	109,104	26,697
Build America Bond Subsidy	100,000	100,000	103,590	3,590
Federal detention per diem	-	-	13,966	13,966
Total Federal Grants	<u>182,407</u>	<u>182,407</u>	<u>226,660</u>	<u>44,253</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		Over (Under)
<u>State Grants</u>				
State police protection	\$ 700,000	\$ 700,000	\$ 718,692	\$ 18,692
State library	481,780	481,780	481,780	-
State soil conservation	61,191	61,191	52,682	(8,509)
State prisoner housing	100,000	100,000	55,305	(44,695)
State jury reimbursement	30,000	30,000	19,240	(10,760)
State misc. reimbursement	-	-	-	-
Other state reimbursement	-	8,239	13,950	5,711
Grants from state government	-	-	-	-
State reim sex offender	8,255	8,255	-	(8,255)
Criminal Justice Academy Director Reimbursement	-	71,000	37,519	(33,481)
Total State Grants	1,381,226	1,460,465	1,379,168	(81,297)
<u>Other Intergovernmental</u>				
911 fees	590,000	590,000	645,209	55,209
Bus maintenance payroll reimbursement	85,363	-	-	-
Housing Authority payroll reimbursement	1,383,177	1,383,178	1,218,275	(164,903)
Shore Erosion	21,000	21,000	4,733	(16,267)
CMM payroll reimbursement - CMM Board of Governors	292,078	292,078	335,474	43,396
CMM payroll reimbursement - CMM Society	462,127	462,127	559,189	97,062
Criminal Justice Academy Director Reimbursement	71,000	-	-	-
SDAT costs paid by the towns	15,833	15,834	15,834	-
Total Other Intergovernmental	2,920,578	2,764,217	2,778,714	14,497
Total Intergovernmental Revenues	4,484,211	4,407,089	4,384,542	(22,547)
<u>Charges for services</u>				
<u>Public Safety</u>				
Sheriff's fees	75,000	75,000	61,080	(13,920)
Chesapeake Beach police reimbursement	1,017,420	1,017,420	1,017,420	-
North Beach police reimbursement	472,872	472,872	472,872	-
Dominion police reimbursement	1,490,000	1,595,081	1,968,441	373,360
Lab fees	15,000	15,000	12,400	(2,600)
Engineering inspections	100,000	100,000	42,799	(57,201)
DWI facility	7,345	7,345	4,908	(2,437)
Animal shelter fees	-	-	15,490	15,490
Electronic monitor - detention center	16,000	16,000	20,497	4,497
Telephone commission - detention center	100,000	100,000	73,039	(26,961)
Live in/work out - detention center	95,000	95,000	76,084	(18,916)
False alarm fees	2,000	2,000	19,500	17,500
False alarm registration	3,800	3,800	4,025	225
E-cigarette citation	-	-	3,600	3,600
Protective inspections	300,000	300,000	341,413	41,413
Safety for Students Speed Camera	200,000	760,279	681,467	(78,812)
Weekend Inmate fee	55,000	55,000	38,850	(16,150)
Sick Call Detention Center	-	5,000	-	(5,000)
Tower revenue	70,000	70,000	134,605	64,605
Total Public Safety	4,019,437	4,689,797	4,988,490	298,693

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts			Variance Over (Under)
	Original	Final	Actual	
<u>General Services</u>				
Waterman's Wharf slip fees	\$ 4,200	\$ 4,200	\$ 8,625	\$ 4,425
Tennison charters	50,000	30,000	29,196	(804)
Tennison special charters	-	20,000	22,403	2,403
Kings Landing camp fees	10,000	10,000	22,272	12,272
Flag Pond entrance fees	40,000	40,000	74,490	34,490
Cypress swamp fees	-	-	4,385	4,385
Tower revenue	-	-	9,695	9,695
Boat ramp fees	6,000	6,000	4,500	(1,500)
Total General Services	110,200	110,200	175,566	65,366
<u>Public Works</u>				
Road tax districts	63,000	63,000	27,241	(35,759)
Developer street signs	600	600	-	(600)
Utility permit fee	25,000	25,000	41,520	16,520
Erosion sediment control penalty	-	-	-	-
Waterway improvements	6,387	6,837	6,294	(543)
Total Public Works	94,987	95,437	75,055	(20,382)
<u>Community Resources</u>				
Library - copying and miscellaneous	28,000	28,000	33,595	5,595
Library - other sources	13,500	24,387	31,517	7,130
Library - e rate	5,000	5,000	3,360	(1,640)
Office on Aging - bus trip revenue	-	42,000	17,985	(24,015)
Office on Aging - program revenue	84,000	7,000	6,605	(395)
Office on Aging - senior class revenue	-	35,000	30,139	(4,861)
Total Community Resources	130,500	141,387	123,201	(18,186)
<u>Other Charges for Services</u>				
Rents and concessions	20,000	20,000	12,148	(7,852)
Land lease dominion	120,000	120,000	-	(120,000)
Rent - health dept	7,200	7,200	7,673	473
Map sales	500	500	-	(500)
Total Other Charges for Services	147,700	147,700	19,821	(127,879)
Total Charges for Services	4,502,824	5,184,521	5,382,133	197,612
<u>Fines, fees, and Forfeitures</u>				
<u>General Government</u>				
Soil Conservation grading fees	30,000	30,000	30,000	-
P&Z - administration planting bond	4,500	4,500	(367)	(4,867)
P&Z - replatting fees	4,000	4,000	3,240	(760)
Board of Appeals application fees	20,000	20,000	10,140	(9,860)
P&Z - tower consultant fees	500	500	2,100	1,600
Total General Government	59,000	59,000	45,113	(13,887)
<u>Public Safety</u>				
Domestic master fees	800	800	2,035	1,235
Community service programs	25,000	25,000	17,850	(7,150)
Criminal court fines	9,000	9,000	5,143	(3,857)
Home study fees	2,000	2,000	2,010	10
Animal citation fines	7,000	7,000	1,557	(5,443)
State's attorney fees	-	3,190	6,563	3,373
Forfeiture sheriff	-	20,862	20,862	-
Forfeiture State's attorney	-	373	373	-
Total public safety	43,800	68,225	56,393	(11,832)

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts			Variance Over (Under)
	Original	Final	Actual	
<u>Other Fines, Fees, and Forfeitures</u>				
Grant Coordinator administration fee	\$ 160,000	\$ 160,000	\$ 278,883	\$ 118,883
Auto license fees	2,600	2,600	2,003	(597)
Library fines	42,000	42,000	26,071	(15,929)
Zoning fees	20,000	20,000	22,649	2,649
Small lot clearing fees	100	100	-	(100)
Election Office filing fees	150	150	-	(150)
Total Other Fines, Fees, and Forfeitures	224,850	224,850	329,606	104,756
Total Fines, Fees, and Forfeitures	327,650	352,075	431,112	79,037
<u>Other Revenue Sources</u>				
<u>Investment Revenue</u>				
Interest and dividends	500,000	787,668	2,739,655	1,951,987
Appreciation of investment	-	-	(32,373)	(32,373)
Total Investment Revenue	500,000	787,668	2,707,282	1,919,614
<u>Reimbursements</u>				
Salary reimbursement	35,000	40,230	6,852	(33,378)
Cap equip payroll reimbursement	-	85,363	90,611	5,248
Battle Creek salary reimbursement	7,418	7,418	-	(7,418)
Heath insurance reimbursement	-	9,025	135,528	126,503
Circuit court clerks office reimbursement	4,351	4,351	4,351	-
Total Reimbursements	46,769	146,387	237,342	90,955
<u>Other Revenue</u>				
Mosquito control	20,000	20,000	15,989	(4,011)
Advertising revenue	-	16,250	16,250	-
Private contributions	-	-	156	156
Merchandise sales	-	-	1,257	1,257
Keys for employee program	25,000	25,000	-	(25,000)
Use of pr yrs fund balance	-	3,377,851	-	(3,377,851)
Misc. income/transportation grant	250,000	242,681	144,073	(98,608)
Total Other Revenue	295,000	3,681,782	177,725	(3,504,057)
Total Other Revenue Sources	841,769	4,615,837	3,122,349	(1,493,488)
Total Revenue	296,323,998	300,205,487	299,958,707	(246,780)
<u>Other financing sources</u>				
Transfer from BOE - Resident Trooper/Sheriff	217,134	217,134	217,134	-
Transfer from BOE - OPEB	-	-	-	-
Transfer from Parks and Recreation	-	7,168	-	(7,168)
Transfer from Chesapeake Hills Golf course	-	5,570	-	(5,570)
Transfer from Capital Fund	-	34,500	34,500	-
Transfer from Excise Tax Fund	1,000,000	1,000,000	-	(1,000,000)
Total Other Financing Sources	1,217,134	1,264,372	251,634	(1,012,738)
Total Revenue and Other Financing Sources	\$ 297,541,132	\$ 301,469,859	\$ 300,210,341	\$ (1,259,518)

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amount			Variance (Over) Under
	Original	Final	Actual	
General Government				
<u>Board of County Commissioners</u>				
Salaries	\$ 270,723	\$ 270,723	\$ 259,564	\$ 11,159
Operating expense	49,340	53,160	44,365	8,795
Contracted services	2,900	2,900	1,691	1,209
Total Board of County Commissioners	322,963	326,783	305,620	21,163
<u>Contingency</u>	600,000	502,132	-	502,132
<u>Clerk to the Commissioners</u>				
Salaries	71,526	71,526	54,939	16,587
Operating expense	3,009	3,009	1,439	1,570
Total Clerk to the Commissioners	74,535	74,535	56,378	18,157
<u>County Administrator</u>				
Salaries	409,968	409,968	440,451	(30,483)
Operating expense	14,395	14,395	7,385	7,010
Total County Administrator	424,363	424,363	447,836	(23,473)
<u>Communication & Media Relations</u>				
Salaries	616,566	616,566	671,947	(55,381)
Operating expense	346,510	327,896	219,800	108,096
Contracted services	45,000	45,486	42,966	2,520
Capital outlay	80,420	91,777	89,825	1,952
Total Communications & Media	1,088,496	1,081,725	1,024,538	57,187
<u>Technology Services</u>				
Salaries	1,910,531	1,910,531	1,830,180	80,351
Operating expense	139,251	139,251	136,277	2,974
Contracted services	1,376,816	1,376,816	1,338,163	38,653
Capital outlay	580,909	580,909	576,349	4,560
Total Technology Services	4,007,507	4,007,507	3,880,969	126,538
<u>Circuit Court</u>				
Salaries	818,590	810,326	757,966	52,360
Operating expense	103,805	97,761	94,072	3,689
Contracted services	58,900	43,378	38,456	4,922
Capital outlay	5,450	49,329	48,537	792
Total Circuit Court	986,745	1,000,794	939,031	61,763
<u>Judge of Orphans' Court</u>				
Salaries	26,980	26,980	26,980	-
Operating expense	1,450	1,450	247	1,203
Total Judge of Orphans' Court	28,430	28,430	27,227	1,203
<u>State's Attorney</u>				
Salaries	2,002,122	2,040,033	2,090,888	(50,855)
Operating expense	116,322	118,680	109,463	9,217
Contracted services	20,242	20,734	20,893	(159)
Capital outlay	-	6,200	6,200	-
Total State's Attorney	2,138,686	2,185,647	2,227,444	(41,797)
<u>Grand Jury</u>				
Salary and operating expense	5,000	5,000	5,220	(220)

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amount			Variance (Over) Under
	Original	Final	Actual	
<u>Human Resources</u>				
Salaries	\$ 1,053,168	\$ 1,053,168	\$ 1,101,865	\$ (48,697)
Operating expense	63,604	56,273	49,789	6,484
Tuition program	55,000	55,000	37,123	17,877
Contracted services	236,431	225,056	158,189	66,867
Capital outlay	1,200	20,566	20,231	335
Total Human Resources	1,409,403	1,410,063	1,367,197	42,866
<u>Finance and Budget</u>				
Salaries	1,599,049	1,557,906	1,386,436	171,470
Operating expense	130,701	117,851	129,274	(11,423)
Contracted services	165,800	171,550	171,546	4
Capital outlay	6,369	18,817	1,822	16,995
Total Finance and Budget	1,901,919	1,866,124	1,689,078	177,046
<u>County Treasurer</u>				
Salaries	341,593	341,593	321,214	20,379
Operating expense	27,610	27,432	28,542	(1,110)
Contracted services	10,000	10,000	(257)	10,257
Capital outlay	-	178	709	(531)
Total County Treasurer	379,203	379,203	350,208	28,995
<u>Auditing and Related Services</u>	71,050	71,050	62,498	8,552
<u>County Attorney</u>				
Salaries	541,575	541,575	500,310	41,265
Operating expense	29,165	30,665	27,115	3,550
Contracted services	100,000	98,500	59,889	38,611
Capital outlay	3,625	3,625	137	3,488
Total County Attorney	674,365	674,365	587,451	83,426
<u>Planning and Zoning</u>				
Salaries	2,338,743	2,338,743	2,329,799	8,944
Operating expense	86,372	98,872	82,905	15,967
Contracted services	76,850	56,200	56,171	29
Capital outlay	83,000	85,120	69,097	16,023
Total Planning and Zoning	2,584,965	2,578,935	2,537,972	40,963
<u>Planning Commission</u>				
Operating expense	166,827	165,627	163,622	2,005
Honorarium	92,500	92,500	55,600	36,900
Capital outlay	1,200	9,400	9,350	50
Total Planning Commission	260,527	267,527	228,572	38,955
<u>Inspections and Permits</u>				
Salaries	1,003,489	1,003,489	901,879	101,610
Operating expense	77,100	54,100	27,719	26,381
Vehicle supplies and repair	-	23,000	18,681	4,319
Contracted services	2,000	2,000	900	1,100
Capital outlay	57,204	57,204	55,646	1,558
Total Inspections and Permits	1,139,793	1,139,793	1,004,825	134,968
<u>Pauper's Burial</u>	1,000	1,000	650	350
<u>Board of Appeals</u>				
Operating expense	7,175	7,175	2,594	4,581
Contracted services	24,000	24,000	9,300	14,700
Honorarium	24,000	24,000	22,055	1,945
Total Board of Appeals	55,175	55,175	33,949	21,226

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amount		Actual	Variance (Over) Under
	Original	Final		
<u>Election Board</u>				
Salaries	\$ 381,696	\$ 410,561	\$ 364,996	\$ 45,565
Operating expense	62,426	68,244	66,636	1,608
Contracted services	251,205	251,205	222,557	28,648
Election judges	63,550	58,200	58,200	-
Capital outlay	-	2,232	2,140	92
Total Election Board	758,877	790,442	714,529	75,913
<u>Liquor Board</u>				
Salaries	26,720	26,720	23,980	2,740
Operating expense	700	700	490	210
Contracted services	25,000	25,000	3,540	21,460
Total Liquor Board	52,420	52,420	28,010	24,410
<u>University of Maryland Extension</u>				
Operating expense	4,863	11,122	9,403	1,719
County contribution	135,934	129,675	194,512	(64,837)
Total University of Maryland Extension	140,797	140,797	203,915	(63,118)
<u>State/Other Agencies</u>				
Commission for Women	3,895	3,895	3,835	60
Environmental Commission	4,213	4,213	4,139	74
Ethics Commission	8,000	8,000	6,438	1,562
MD State Dept. of Assessments	430,000	430,000	340,247	89,753
Non-county agencies	1,237,868	845,688	832,041	13,647
Total State/Other Agencies	1,683,976	1,291,796	1,186,700	105,096
<u>Maryland Association of Counties</u>	17,000	17,000	16,987	13
Total General Government	20,807,195	20,372,606	18,926,804	1,442,314
Public Safety				
<u>Director of Public Safety</u>				
Salaries	249,113	297,771	277,953	19,818
Operating expense	174,030	188,355	61,274	127,081
Contracted services	20,500	20,500	15,774	4,726
Capital outlay	45,000	33,125	19,023	14,102
Total Director of Public Safety	488,643	539,751	374,024	165,727
<u>Sheriff's Office</u>				
Salaries	13,028,875	13,031,930	13,669,063	(637,133)
Operating expense	1,351,663	1,405,951	2,030,489	(624,538)
Vehicle supplies and repairs	926,271	930,644	980,903	(50,259)
Contracted services	273,921	412,036	404,792	7,244
Capital outlay	836,121	1,262,763	1,253,202	9,561
Total Sheriff's Office	16,416,851	17,043,324	18,338,449	(1,295,125)
<u>Control Center</u>				
Salaries	2,172,086	2,172,086	2,218,005	(45,919)
Operating expense	374,070	374,070	229,819	144,251
Radio maintenance	649,611	623,933	623,923	10
Contracted services	123,002	147,790	141,749	6,041
Capital outlay	291,430	292,320	289,650	2,670
Total Control Center	3,610,199	3,610,199	3,503,146	107,053
<u>Volunteer Fire-Rescue-EMS Departments</u>				
Operating expense	3,033,285	3,033,285	2,979,767	53,518
Insurance	1,319,000	1,319,000	993,003	325,997
Capital outlay	746,400	746,400	718,163	28,237
Total Volunteer Fire-Rescue-EMS Departments	5,098,685	5,098,685	4,690,933	407,752

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amount			Variance (Over) Under
	Original	Final	Actual	
<u>Detention Center</u>				
Salaries	\$ 6,160,776	\$ 6,224,675	\$ 5,781,299	\$ 443,376
Operating expense	277,985	257,835	230,009	27,826
Utilities	460,000	460,000	355,518	104,482
Inmate care	23,200	23,200	24,292	(1,092)
Food	360,000	360,000	289,500	70,500
Contracted services	814,000	814,000	802,967	11,033
Capital outlay	160,560	181,510	175,302	6,208
Total Detention Center	8,256,521	8,321,220	7,658,887	662,333
<u>Emergency Management</u>				
Salaries	176,994	176,994	167,762	9,232
Operating expense	55,800	53,629	30,490	23,139
Contracted services	57,400	57,400	54,343	3,057
Capital outlay	5,000	7,171	7,067	104
Total Emergency Management	295,194	295,194	259,662	35,532
<u>Fire-Rescue-EMS</u>				
Salaries	438,897	364,714	390,861	(26,147)
Operating expense	204,647	271,397	228,245	43,152
Contracted services	62,000	41,891	24,042	17,849
Capital outlay	4,450	9,809	8,420	1,389
Total Fire-Rescue-EMS	709,994	687,811	651,568	36,243
<u>Career-EMS</u>				
Salaries	-	74,183	27,287	46,896
Operating expense	-	-	188	(188)
Total Career EMS	-	74,183	27,475	46,708
<u>Animal Shelter</u>				
Salaries	702,864	702,864	410,541	292,323
Operating expense	382,343	352,335	282,064	70,271
Contracted services	142,775	114,125	59,864	54,261
Capital outlay	437,493	416,151	368,801	47,350
Total Animal shelter	1,665,475	1,585,475	1,121,270	464,205
<u>Animal Control</u>				
Salaries	397,132	397,132	380,355	16,777
Operating expense	52,360	71,404	63,000	8,404
Vehicle supplies and repairs	43,500	45,220	37,800	7,420
Contracted services	120,000	104,496	87,493	17,003
Capital outlay	105,000	99,740	82,208	17,532
Total Animal Control	717,992	717,992	650,856	67,136
Total Public Safety	37,259,554	37,973,834	37,276,270	697,564
General Services				
<u>Director of General Services</u>				
Salaries	352,319	352,559	360,036	(7,477)
Operating expense	25,121	24,881	18,542	6,339
Contracted services	41,500	41,069	34,889	6,180
Capital outlay	-	431	431	-
Total Director of General Services	418,940	418,940	413,898	5,042

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amount			Variance (Over) Under
	Original	Final	Actual	
<u>Buildings and Grounds</u>				
Salaries	\$ 1,488,608	\$ 1,488,608	\$ 1,421,171	\$ 67,437
Operating expense	633,878	972,343	800,329	172,014
Utilities	1,330,534	1,228,914	1,031,154	197,760
Rent	877,327	877,327	594,882	282,445
Maintenance and repair projects	664,550	448,500	440,229	8,271
Contracted services	715,800	717,505	666,640	50,865
Capital outlay	276,981	261,006	264,020	(3,014)
Total Buildings and Grounds	5,987,678	5,994,203	5,218,425	775,778
<u>Mosquito Control</u>				
Salaries	208,208	205,208	140,463	64,745
Operating expense	23,215	24,874	19,093	5,781
Chemicals	24,881	19,723	19,723	-
Contracted services	2,975	2,975	2,630	345
Capital outlay	34,915	41,415	41,511	(96)
Total Mosquito Control	294,194	294,195	223,420	70,775
<u>Parks and Recreation</u>				
Salaries	3,410,928	3,410,928	3,219,079	191,849
Operating expense	498,102	655,742	478,628	177,114
Utilities	205,275	208,875	219,075	(10,200)
Maintenance and repair projects	99,000	96,000	71,848	24,152
Contracted services	100,000	134,500	135,146	(646)
Capital outlay	507,100	371,162	502,944	(131,782)
Total Parks and Recreation	4,820,405	4,877,207	4,626,720	250,487
<u>Railway Museum</u>				
Salaries	99,447	103,203	104,871	(1,668)
Operating expense	16,580	16,080	13,873	2,207
Utilities	7,000	7,000	4,867	2,133
Contracted services	31,992	26,999	26,649	350
Capital outlay	-	1,737	1,344	393
Total Railway Museum	155,019	155,019	151,604	3,415
<u>Calvert Marine Museum</u>				
Salaries	2,378,039	2,380,289	2,365,594	14,695
Operating expense	228,627	224,311	212,348	11,963
Utilities	182,825	170,495	134,652	35,843
Maintenance and repair projects	39,084	38,333	38,333	-
Contracted services	60,093	75,584	75,043	541
Capital outlay	-	156	156	-
Total Calvert Marine Museum	2,888,668	2,889,168	2,826,126	63,042
<u>Natural Resources Division</u>				
Salaries	725,474	725,474	715,011	10,463
Operating expense	77,825	76,915	65,304	11,611
Utilities	41,300	41,300	34,218	7,082
Maintenance and repair projects	34,000	34,000	26,588	7,412
Contracted services	6,600	12,190	11,746	444
Capital outlay	61,000	63,833	50,445	13,388
Total Natural Resources Division	946,199	953,712	903,312	50,400
<u>Forestry Service</u>				
Operating expense	20,965	20,965	20,965	-

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amount			Variance (Over) Under
	Original	Final	Actual	
<u>Annmarie Garden</u>				
Operating expense	\$ -	\$ 13,400	\$ 6,494	\$ 6,906
Utilities	-	43,400	39,688	3,712
Contracted services	-	3,900	5,033	(1,133)
County contribution	-	314,750	314,750	-
Total Annmarie Garden	-	375,450	365,965	9,485
<u>Historical District Commission</u>				
Salaries	-	-	-	-
Operating expense	-	3,123	1,061	2,062
Contracted services	-	6,600	2,394	4,206
Total Historical District Commission	-	9,723	3,455	6,268
Total General Services	15,532,068	15,988,582	14,753,890	1,234,692
Public Works				
<u>Director of Public Works/Engineering</u>				
Salaries	1,455,735	1,434,414	1,320,769	113,645
Operating expense	74,708	91,144	75,049	16,095
Contracted services	51,000	41,225	41,208	17
Capital outlay	89,113	96,682	91,391	5,291
Total Director of Public Works/Engineering	1,670,556	1,663,465	1,528,417	135,048
<u>Project Management and Inspections</u>				
Salaries	478,137	533,501	485,836	47,665
Operating expense	31,464	42,506	41,021	1,485
Vehicle supplies and repairs	6,875	6,875	12,542	(5,667)
Capital outlay	134,000	128,758	132,335	(3,577)
Total Project Management and Inspections	650,476	711,640	671,734	39,906
<u>Highway Maintenance</u>				
Salaries	1,884,303	1,884,303	1,896,753	(12,450)
Operating expense	69,184	670,701	649,961	20,740
Vehicle supplies and repairs	352,154	452,154	330,368	121,786
Utilities	23,030	23,030	10,512	12,518
Road maintenance and repairs	486,717	493,950	453,382	40,568
Paving	5,500,000	6,780,000	6,778,858	1,142
Snow removal contractors	1,064,054	532,604	582,611	(50,007)
Contracted services	381,400	152,622	152,879	(257)
Capital outlay	92,200	143,978	137,466	6,512
Total Highway Maintenance	9,853,042	11,133,342	10,992,790	140,552
<u>Highway Lighting</u>				
Operating expense	213,752	213,752	238,433	(24,681)
<u>Fleet Maintenance</u>				
Salaries	538,516	538,516	529,492	9,024
Operating expense	19,630	19,630	14,115	5,515
Vehicle supplies and repairs	33,171	33,171	(35,627)	68,798
Utilities	29,360	29,360	21,923	7,437
Contracted services	22,000	22,000	20,340	1,660
Total Fleet Maintenance	642,677	642,677	550,243	92,434
Total Public Works	13,030,503	14,364,876	13,981,617	383,259

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amount		Actual	Variance (Over) Under
	Original	Final		
Economic Development				
<u>EDA/EDC/Tourism</u>				
Salaries	\$ 578,067	\$ 578,067	\$ 529,956	\$ 48,111
Operating expense	213,127	216,109	105,391	110,718
Advertising	-	500	448	52
Small Business Development Center	38,900	38,900	38,900	-
Contracted services	53,013	61,600	58,909	2,691
Capital outlay	-	9,318	9,283	35
Total Economic Development	883,107	904,494	742,887	161,607
Community Resources				
<u>Director of Community Resources</u>				
Salaries	313,780	313,780	338,747	(24,967)
Operating expense	32,255	31,624	30,009	1,615
Contracted services	1,791	2,066	1,120	946
Capital outlay	-	356	356	-
Total Director of Community Resources	347,826	347,826	370,232	(22,406)
<u>Affordable Housing</u>				
Operating expense	25,000	25,000	-	25,000
Total Affordable Housing	25,000	25,000	-	25,000
<u>Office on Aging</u>				
Salaries	1,248,200	1,248,200	1,207,954	40,246
Operating expense	110,416	110,137	79,849	30,288
Contracted services	127,000	127,000	98,474	28,526
Capital outlay	40,955	41,234	35,652	5,582
Total Office on Aging	1,526,571	1,526,571	1,421,929	104,642
<u>Transportation</u>				
Salaries	230,610	230,610	225,825	4,785
Operating expense	61,300	55,800	32,156	23,644
Transportation subsidy	50,000	50,000	51,441	(1,441)
Contracted services	36,471	41,971	40,403	1,568
Total Transportation	378,381	378,381	349,825	28,556
Total Community Resources	2,277,778	2,277,778	2,141,986	135,792
Education				
College of Southern Maryland	4,646,943	4,646,943	4,646,943	-
Board of Education	126,377,666	126,367,666	126,367,666	-
<u>Public Libraries</u>				
Salaries	3,948,190	2,958,482	3,972,432	(1,013,950)
Operating expense	524,440	1,524,246	513,736	1,010,510
Contracted services	143,888	142,677	126,648	16,029
Capital outlay	45,500	45,500	45,498	2
Total Public Libraries	4,662,018	4,670,905	4,658,314	12,591
Total Education	135,686,627	135,685,514	135,672,923	12,591
Social Services & Health				
<u>Health Department</u>				
Salaries	15,000	15,000	15,000	-
Operating expense	2,201,360	2,201,360	2,201,461	(101)
Womens shelter subsidy	277,898	277,898	273,695	4,203
Total Health Department	2,494,258	2,494,258	2,490,156	4,102

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amount			Variance (Over) Under
	Original	Final	Actual	
<u>Residential Substance Abuse Treatment</u>				
Contracted services	\$ 159,200	\$ 159,200	\$ 159,200	\$ -
Total Residential Substance Abuse Treatment	159,200	159,200	159,200	-
<u>Department of Social Services</u>				
County contribution	76,392	76,392	76,294	98
<u>Soil Conservation District</u>				
Salaries	321,683	321,683	327,671	(5,988)
Operating expense	42,067	47,326	47,028	298
Total Soil Conservation District	363,750	369,009	374,699	(5,690)
<u>Housing Authority</u>				
Salaries	1,456,093	1,456,093	1,399,066	57,027
Total Housing Authority	1,456,093	1,456,093	1,399,066	57,027
Total Social Services & Health	4,549,693	4,554,952	4,499,415	55,537
Pension and Insurance				
Pension contribution	10,013,600	10,063,351	9,694,621	368,730
Worker's compensation	1,100,000	1,106,742	1,997,716	(890,974)
General insurance	873,000	793,000	802,224	(9,224)
OPEB	12,649,499	12,099,499	12,099,499	-
Health insurance	12,180,000	12,295,502	10,674,502	1,621,000
Total Pension and Insurance	36,816,099	36,358,094	35,268,562	1,089,532
Debt service				
<u>Bond principal</u>				
General obligations	15,533,689	15,533,688	15,533,117	571
<u>Bond interest</u>				
General obligations	4,846,348	4,846,348	4,752,870	93,478
Total Debt Service	20,380,037	20,380,036	20,285,987	94,049
Total expenditures	287,222,661	288,860,766	283,550,341	5,306,937
Other financing uses				
Transfer to Capital Projects Fund	6,155,100	8,276,651	8,256,651	20,000
Transfer to Grants Fund	2,200,496	2,324,692	2,180,976	143,716
Transfer to P&R Self-Sustaining Fund	641,800	679,894	736,964	(57,070)
Transfer to Revolving Loan fund	5,000	5,000	-	5,000
Transfer to Chesapeake Hills Golf Course Fund	246,840	246,840	436,425	(189,585)
Transfer to Solid Waste Fund	30,000	30,390	20,346	10,044
Transfer to Land Preservation Fund	1,025,000	1,025,000	1,025,000	-
Transfer to Family Network Fund	14,235	20,626	14,235	6,391
Total other financing uses	10,318,471	12,609,093	12,670,597	(61,504)
Total expenditures and other financing uses	\$ 297,541,132	\$ 301,469,859	\$ 296,220,938	\$ 5,248,921

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

SCHEDULE OF NET POSITION

JUNE 30, 2019

	Operating Fund
ASSETS	
Cash, cash equivalents and investments	\$ 1,842,182
Notes receivable	-
Accrued interest receivable	1,410
Due from primary government	450,116
Capital assets (not being depreciated)	22,191
Total assets	<u>\$ 2,315,899</u>
LIABILITIES	
Account payable	\$ -
Deferred revenue	-
Total liabilities	<u>-</u>
NET POSITION	
Invested in capital assets, net of related debt	22,191
Unrestricted	2,293,708
Total net position	<u>\$ 2,315,899</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

FUND PRESENTATION

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

YEAR ENDED JUNE 30, 2019

	Operating Fund
Operating revenues:	
Charges for services	\$ -
Miscellaneous income	-
Total operating revenues	-
Operating expenses:	
Contracted services	-
Miscellaneous	242
Total operating expenses	242
Operating income (loss)	(242)
Non-operating revenues (expenses):	
Investment income	39,764
Investment expense	-
Total non-operating revenues (expenses)	39,764
Change in net position	39,522
Total net position - beginning	2,276,377
Total net position - ending	\$ 2,315,899

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Original	Budget Final	Actual	Variance (Over) Under
REVENUES				
Intergovernmental	\$ 18,370,750	\$ 28,968,038	\$ 3,835,360	\$ (25,132,678)
Miscellaneous	-	-	-	-
Total revenues	18,370,750	28,968,038	3,835,360	(25,132,678)
EXPENDITURES				
General government	1,870,600	3,201,666	2,122,583	1,079,083
Public safety	9,180,000	27,220,140	17,656,834	9,563,306
General services	17,641,200	19,285,442	3,262,270	16,023,172
Public works	3,909,250	10,122,732	5,542,715	4,580,017
Community resources	-	738,243	13,649	724,594
Education	22,365,000	9,753,165	7,750,513	2,002,652
Social services and health	-	-	-	-
Total expenditures	54,966,050	70,321,388	36,348,564	33,972,824
Excess (deficiency) of revenues over expenditures	(36,595,300)	(41,353,350)	(32,513,204)	8,840,146
OTHER FINANCING SOURCES (USES)				
Bond proceeds	27,778,000	28,208,925	42,900,000	14,691,075
Bond premium	-	-	5,848,954	5,848,954
Developer contribution	-	2,305,217	4,256,445	1,951,228
Transfers in	8,817,300	10,839,208	10,864,002	24,794
Transfers out	-	-	(34,500)	(34,500)
Total other financing sources (uses)	36,595,300	41,353,350	63,834,901	22,481,551
Net change in fund balance	-	-	31,321,697	31,321,697
Fund balance - beginning	18,018,963	18,018,963	18,018,963	-
Fund balance - ending	<u>\$ 18,018,963</u>	<u>\$ 18,018,963</u>	<u>\$ 49,340,660</u>	<u>\$ 31,321,697</u>

The accompanying notes to the financial statements are an integral part of this statement.

Statistical Section



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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*FINANCIAL TREND DATA
JUNE 30, 2019*

The following schedules contain information to help the reader understand how the government's financial performance and well-being have changed over the last eight years.

The financial trend data schedules are:

- Net position by category
- Changes in net position
- General tax revenue-government activities
- Fund balance of governmental funds

County Commissioners of Calvert County, Maryland
Net Position by Components
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited, see related notes below)
Schedule 1

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Governmental activities										
Net investment in capital assets	\$ 110,447,873	\$ 109,943,246	\$ 119,780,770	\$ 123,176,653	\$ 126,029,053	\$ 125,502,206	\$ 137,904,262	\$ 136,372,796	\$ 132,772,750	\$ 140,419,778
Restricted	13,275,882	17,137,497	18,047,917	15,851,897	17,696,426	16,490,109	15,818,117	16,600,615	15,331,779	16,118,280
Unrestricted	33,885,557	43,142,024	36,289,294	19,741,178	9,297,242	(24,745,446)	(29,839,359)	(22,821,045)	(39,168,344)	(39,659,857)
Total governmental activities net position	<u>\$ 157,609,312</u>	<u>\$ 170,222,767</u>	<u>\$ 174,117,981</u>	<u>\$ 158,769,728</u>	<u>\$ 153,022,721</u>	<u>\$ 117,246,869</u>	<u>\$ 123,883,020</u>	<u>\$ 130,152,366</u>	<u>\$ 108,936,185</u>	<u>\$ 116,878,201</u>
Business-type activities										
Net investment in capital assets	\$ 34,365,814	\$ 34,549,717	\$ 29,333,105	\$ 28,900,840	\$ 15,498,941	\$ 27,576,501	\$ 26,802,823	\$ 28,076,563	\$ 31,650,038	\$ 33,711,893
Restricted	2,359,895	2,336,457	2,130,523	2,187,836	1,979,832	2,729,885	2,837,651	3,502,392	3,865,757	416,794
Unrestricted	1,539,588	897,574	2,321,405	3,785,496	14,349,672	6,324,182	7,377,772	5,795,158	2,744,132	5,867,753
Total business-type activities net position	<u>\$ 38,265,297</u>	<u>\$ 37,783,748</u>	<u>\$ 33,785,033</u>	<u>\$ 34,874,172</u>	<u>\$ 31,828,445</u>	<u>\$ 36,630,568</u>	<u>\$ 37,018,246</u>	<u>\$ 37,374,113</u>	<u>\$ 38,259,927</u>	<u>\$ 39,996,440</u>
Primary government										
Net investment in capital assets	\$ 144,813,687	\$ 144,492,963	\$ 149,113,875	\$ 152,077,493	\$ 141,527,994	\$ 153,078,707	\$ 164,707,085	\$ 164,449,359	\$ 164,422,788	\$ 174,131,671
Restricted	15,635,777	19,473,954	20,178,440	18,039,733	19,676,258	19,219,994	18,655,768	20,103,007	19,197,536	16,535,074
Unrestricted	35,425,145	44,039,598	38,610,699	23,526,674	23,646,914	(18,421,264)	(22,461,587)	(17,025,887)	(36,424,212)	(33,792,104)
Total primary government net position	<u>\$ 195,874,609</u>	<u>\$ 208,006,515</u>	<u>\$ 207,903,014</u>	<u>\$ 193,643,900</u>	<u>\$ 184,851,166</u>	<u>\$ 153,877,437</u>	<u>\$ 160,901,266</u>	<u>\$ 167,526,479</u>	<u>\$ 147,196,112</u>	<u>\$ 156,874,641</u>

NOTES:

(1) Accounting standards require the net position be reported in three components in the financial statements: capital assets, net of related debt: restricted: and unrestricted. Net position is considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.

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County Commissioners of Calvert County, Maryland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited, see related notes below)
Schedule 2

Expenses	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Governmental activities:										
General government	\$ 10,729,459	\$ 20,454,675	\$ 20,481,137	\$ 10,872,517	\$ 16,415,357	\$ 14,936,264	\$ 16,449,176	\$ 15,496,721	\$ 30,739,945	\$ 23,807,478
Public safety	31,297,136	28,670,766	31,706,576	33,874,212	35,084,015	33,357,949	33,179,360	38,808,220	29,456,415	42,136,984
Public works	24,131,844	15,059,870	17,878,045	14,672,326	16,435,645	6,819,703	1,459,120	6,846,474	12,214,001	19,884,896
General services (3)	-	-	-	-	15,124,898	24,336,696	21,973,307	21,950,660	27,857,214	19,817,592
Health and hospitals	2,128,412	3,407,428	3,408,940	3,670,682	-	-	-	-	-	-
Social services and health	11,660,259	10,931,198	10,645,671	11,925,326	7,839,422	8,384,212	5,287,965	5,278,202	5,889,072	5,032,427
Education	4,614,647	4,263,196	4,405,156	5,278,673	143,384,137	152,746,925	151,866,641	148,421,928	169,143,977	171,354,587
Board of Education	133,561,524	128,257,599	129,427,039	141,921,641	-	-	-	-	-	-
Recreation and culture	4,993,041	10,430,206	16,783,198	15,701,100	-	-	-	-	-	-
Community resources (3)	-	-	-	-	11,597,350	10,602,140	10,887,011	11,435,787	11,911,327	12,716,946
Conservation of natural resources	1,573,710	3,393,562	4,543,744	2,934,998	-	-	-	-	-	-
Urban development and housing	2,643,490	2,521,746	2,170,117	2,050,230	-	-	-	-	-	-
Economic development	1,852,710	1,580,260	1,592,887	1,465,743	1,440,317	1,476,461	1,358,480	1,415,620	889,360	1,117,913
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt (3)	-	-	-	-	4,459,599	4,253,148	3,653,348	4,318,688	4,658,794	5,266,087
Debt service	4,726,867	4,859,414	4,980,102	4,784,558	-	-	-	-	-	-
Subtotal governmental activities expenses	233,913,099	233,829,920	248,022,612	249,152,006	251,780,740	256,913,498	246,114,408	253,972,300	292,760,105	301,134,910
Business-type activities:										
Water and sewer	6,955,914	6,595,252	6,707,332	7,101,088	7,512,161	7,540,595	7,839,247	8,685,726	9,077,073	9,025,746
Solid waste	10,101,302	9,877,661	10,717,986	9,285,367	9,272,715	9,919,346	11,034,789	10,867,901	12,111,485	12,650,803
Culture	4,350,817	4,539,550	3,583,944	3,547,014	-	-	-	-	-	-
Subtotal business-type activities expenses	21,408,033	21,012,463	21,009,262	19,933,469	16,784,876	17,459,941	18,874,036	19,553,627	21,188,558	21,676,549
Total primary government expenses	\$ 255,321,132	\$ 254,842,383	\$ 269,031,874	\$ 269,085,475	\$ 268,565,616	\$ 274,373,439	\$ 264,988,444	\$ 273,525,927	\$ 313,948,663	\$ 322,811,459
Program Revenues										
Governmental activities:										
General government	\$ 4,595,411	\$ 4,985,993	\$ 4,851,711	\$ 4,268,793	\$ 1,276,505	\$ 3,863,865	\$ 3,123,014	\$ 4,024,808	\$ 5,106,922	\$ 2,256,845
Public safety	7,364,299	7,713,006	7,107,185	8,611,189	6,861,256	7,575,374	7,318,474	8,093,169	7,122,969	8,345,023
Public works	6,434,341	1,642,677	2,799,539	1,852,926	984,717	4,736,720	2,259,791	1,363,477	1,558,096	3,438,319
General services (3)	-	-	-	-	-	9,252,611	6,112,661	5,587,328	5,600,119	12,223,667
Health and hospitals	38,737	47,213	52,958	288,278	155,481	-	-	-	-	-
Social services and health	1,049,527	698,277	1,239,016	1,761,833	1,819,987	-	-	-	-	-
Education	-	107,940	-	155,680	-	927,936	975,595	967,724	2,137,999	592,025
Board of Education	-	965,787	140,203	4,573,994	-	-	-	-	-	-
Recreation and culture	3,385,992	3,584,768	4,133,659	5,143,001	4,727,095	-	-	-	-	-
Community resources (3)	-	-	-	-	-	2,911,003	2,615,570	3,115,043	3,541,351	3,559,415
Conservation of natural resources	1,330,446	184,610	248,853	368,640	1,623,509	-	-	-	-	-
Urban development and housing	1,022,376	1,071,636	1,109,510	1,223,258	1,133,168	-	-	-	-	-
Economic development	838,483	698,198	591,273	615,199	508,714	519,213	509,332	503,014	597,766	586,599
Miscellaneous	-	-	-	-	1,059,594	-	-	-	-	-
Capital projects	2,334,409	-	-	-	2,009,948	-	-	-	-	-
Interest on long-term debt (3)	-	-	-	-	-	6,300	6,299	6,299	6,291	6,294
Debt service	636,352	636,802	7,441	7,441	6,299	-	-	-	-	-
Subtotal governmental activities revenues	29,030,373	22,336,907	22,281,348	28,870,232	22,166,273	29,793,022	22,920,736	23,660,862	25,671,513	31,008,187
Business-type activities:										
Water and sewer	6,197,143	6,051,786	6,132,568	6,777,888	7,569,754	8,055,087	11,981,872	8,306,675	9,103,153	9,744,760
Solid waste	11,238,260	10,235,471	10,100,142	10,666,677	9,486,553	9,343,991	10,162,015	11,472,408	12,623,644	13,081,652
Culture	1,201,750	1,750,751	1,488,473	1,300,918	1,358,582	-	-	-	-	-
Subtotal business-type activities revenues	18,637,153	18,038,008	17,721,183	18,745,483	18,414,889	17,399,078	22,143,887	19,779,083	21,726,797	22,826,412
Total primary government revenues	\$ 47,667,526	\$ 40,374,915	\$ 40,002,531	\$ 47,615,715	\$ 40,581,162	\$ 47,192,100	\$ 45,064,623	\$ 43,439,945	\$ 47,398,310	\$ 53,834,599

County Commissioners of Calvert County, Maryland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited, see related notes below)
Schedule 2

Net (Expense)/Revenue	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Governmental activities:										
General government	\$ (6,134,048)	\$ (15,468,682)	\$ (15,629,426)	\$ (6,603,724)	\$ (15,138,852)	\$ (11,072,399)	\$ (13,326,162)	\$ (11,471,913)	\$ (25,633,023)	\$ (21,550,633)
Public safety	(23,932,837)	(20,957,760)	(24,599,391)	(25,263,023)	(28,222,759)	(25,782,575)	(25,860,886)	(30,715,051)	(22,333,446)	(33,791,961)
Public works	(17,697,503)	(13,417,193)	(15,078,506)	(12,819,400)	(15,450,928)	(2,082,983)	800,671	(5,482,997)	(10,655,905)	(16,446,577)
General Services	(3)	-	-	-	-	(15,084,085)	(15,860,646)	(16,363,332)	(22,257,095)	(7,593,925)
Health and hospitals	(2,089,675)	(3,360,215)	(3,355,982)	(3,382,404)	155,481	-	-	-	-	-
Social services and health	(10,610,732)	(10,232,921)	(9,406,655)	(10,163,493)	(6,019,435)	(8,384,212)	(5,287,965)	(5,278,202)	(5,889,072)	(5,032,427)
Education	(4,614,647)	(4,155,256)	(4,405,156)	(5,122,993)	(143,384,137)	(151,818,989)	(150,891,046)	(147,454,204)	(167,005,978)	(170,762,562)
Board of Education	(133,561,524)	(127,291,812)	(129,286,836)	(137,347,647)	-	-	-	-	-	-
Recreation and culture	(1,607,049)	(6,845,438)	(12,649,539)	(10,558,099)	4,727,095	-	-	-	-	-
Community resources	(3)	-	-	-	-	(7,691,137)	(8,271,441)	(8,320,744)	(8,369,976)	(9,157,531)
Conservation of natural resources	(243,264)	(3,208,952)	(4,294,891)	(2,566,358)	1,623,509	-	-	-	-	-
Urban development and housing	(1,621,114)	(1,450,110)	(1,060,607)	(826,972)	1,133,168	-	-	-	-	-
Economic development	(1,014,227)	(882,062)	(1,001,614)	(850,544)	(931,603)	(957,248)	(849,148)	(912,606)	(291,594)	(531,314)
Miscellaneous	-	-	-	-	1,059,594	-	-	-	-	-
Capital projects	2,334,409	-	-	-	2,009,948	-	-	-	-	-
Interest on long-term debt	(3)	-	-	-	-	(4,246,848)	(3,647,049)	(4,312,389)	(4,652,503)	(5,259,793)
Debt service	(4,090,515)	(4,222,612)	(4,972,661)	(4,777,117)	6,299	-	-	-	-	-
Subtotal governmental activities expenses	(204,882,726)	(211,493,013)	(225,741,264)	(220,281,774)	(198,432,620)	(227,120,476)	(223,193,672)	(230,311,438)	(267,088,592)	(270,126,723)
Business-type activities:										
Water and sewer	(758,771)	(543,466)	(574,764)	(323,200)	57,593	514,492	4,142,625	(379,051)	26,080	719,014
Solid waste	1,136,958	357,810	(617,844)	1,381,310	213,838	(575,355)	(872,774)	604,507	512,159	430,849
Culture	(3,149,067)	(2,788,799)	(2,095,471)	(2,246,096)	1,358,582	-	-	-	-	-
Subtotal business-type activities expenses	(2,770,880)	(2,974,455)	(3,288,079)	(1,187,986)	1,630,013	(60,863)	3,269,851	225,456	538,239	1,149,863
Total primary government expenses	\$ (207,653,606)	\$ (214,467,468)	\$ (229,029,343)	\$ (221,469,760)	\$ (196,802,607)	\$ (227,181,339)	\$ (219,923,821)	\$ (230,085,982)	\$ (266,550,353)	\$ (268,976,860)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 126,502,446	\$ 137,559,596	\$ 150,043,755	\$ 150,000,842	\$ 145,034,029	\$ 141,760,716	\$ 141,789,058	\$ 151,766,977	\$ 176,676,295	\$ 188,304,505
Income taxes	54,280,021	55,475,403	69,711,237	63,576,777	60,726,847	62,141,903	77,059,728	68,984,412	90,308,039	70,620,494
Recordation taxes	5,799,985	5,690,348	5,330,746	5,180,576	6,459,376	6,170,923	7,551,986	9,112,106	8,469,655	9,014,787
Admission and amusement taxes	30,212	25,009	25,803	30,938	29,720	14,776	17,456	26,181	24,035	23,566
Franchise taxes	1,078,080	1,110,311	1,169,776	1,192,010	1,274,815	1,366,119	1,485,691	1,654,348	1,237,894	1,599,918
Other miscellaneous taxes	119,546	114,013	113,753	127,458	237,928	687,334	834,149	920,068	899,940	103,419
State reimbursement of electricity deregulation	-	-	-	-	-	-	-	-	-	-
Interest and dividends	3,362,353	933,632	442,937	1,132,781	367,372	493,295	374,256	4,136,322	3,294,570	8,422,396
Miscellaneous	(6,488,195)	(3,103,889)	(2,675,980)	(2,767,232)	(2,492,607)	(65,000)	(51,960)	(19,630)	(31,652)	(20,346)
Subtotal governmental activities revenues	184,684,448	197,804,423	224,162,027	218,474,150	211,637,480	212,570,066	229,060,364	236,580,784	280,878,776	278,068,739
Business-type activities:										
Interest and dividends	-	-	-	-	-	-	70,984	110,781	315,923	566,304
Miscellaneous	6,616,470	3,195,039	2,809,731	3,022,097	2,607,719	120,201	51,960	19,630	31,652	20,346
Subtotal business-type activities revenues	6,616,470	3,195,039	2,809,731	3,022,097	2,607,719	120,201	122,944	130,411	347,575	586,650
Total primary government revenues	\$ 191,300,918	\$ 200,999,462	\$ 226,971,758	\$ 221,496,247	\$ 214,245,199	\$ 212,690,267	\$ 229,183,308	\$ 236,711,195	\$ 281,226,351	\$ 278,655,389
Change in net position										
Governmental activities	\$ (20,198,278)	\$ (13,688,590)	\$ (1,579,237)	\$ (1,807,624)	\$ 13,204,860	\$ (14,550,410)	\$ 5,866,692	\$ 6,269,346	\$ 13,790,184	\$ 7,942,016
Business-type activities	3,845,590	220,584	(478,348)	1,834,111	4,237,732	59,338	3,392,795	355,867	885,814	1,736,513
Total primary government	\$ (16,352,688)	\$ (13,468,006)	\$ (2,057,585)	\$ 26,487	\$ 17,442,592	\$ (14,491,072)	\$ 9,259,487	\$ 6,625,213	\$ 14,675,998	\$ 9,678,529

NOTES:

(1) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and greater than program revenues and therefore general revenues other general revenues. Numbers in parentheses indicate that expenses were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses

(2) Government-wide net asset information is reported on the accrual basis of accounting.

(3) Beginning in FY14, the financial statements have been re-classified by category to match the budgetary document.

County Commissioners of Calvert County, Maryland
General Tax Revenues - Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited, see related notes below)
Schedule 3

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Real and personal property taxes	\$ 133,981,114	\$ 146,790,799	\$ 146,449,619	\$ 141,281,902	\$ 138,767,620	\$ 138,193,758	\$ 139,219,905	\$ 148,639,839	\$ 174,096,002	\$ 184,860,281
Income taxes	56,136,128	62,668,488	64,199,044	64,127,088	66,768,748	71,289,228	74,566,392	77,251,931	83,786,433	88,732,813
Admission and amusements	25,009	25,803	30,938	29,720	14,776	17,598	17,456	26,181	24,035	23,566
Recordation	5,690,348	5,330,746	5,180,576	5,909,376	6,170,922	6,308,065	7,551,986	9,112,106	8,469,655	9,014,787
Trailer parks	114,013	113,753	127,458	237,928	127,186	142,449	114,682	116,740	127,582	103,419
Hotel (2)	693,265	815,416	753,981	634,973	560,148	718,807	719,467	803,327	772,359	752,428
Highway user revenue (3)	256,759	410,452	281,653	513,103	541,727	570,547	587,376	583,043	887,127	1,215,713
Franchise	1,110,311	1,169,776	1,192,010	1,274,815	1,366,119	1,404,676	1,485,691	1,654,348	1,237,894	1,599,918
Total Taxes	<u>\$ 198,006,947</u>	<u>\$ 217,325,233</u>	<u>\$ 218,215,279</u>	<u>\$ 214,008,905</u>	<u>\$ 214,317,246</u>	<u>\$ 218,645,128</u>	<u>\$ 224,262,955</u>	<u>\$ 238,187,515</u>	<u>\$ 269,401,087</u>	<u>\$ 286,302,925</u>

NOTES:

- (1) Government-wide general tax revenue information is reported on the accrual basis of accounting.
(2) Calvert County began collecting hotel tax in FY2004.
(3) Significant Highway User revenue decreases by the state starting in FY2010.

County Commissioners of Calvert County, Maryland
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited, see related notes below)
Schedule 4

	FY2010	FY2011(2)	FY2012(2)	FY2013(2)	FY2014(2)	FY2015(2)	FY2016(2)	FY2017(2)	FY2018(2)	FY2019(2)
General Fund										
<i>(prior to GASB 54)</i>										
Reserved	\$ 10,438,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved Undesignated	28,650,914	-	-	-	-	-	-	-	-	-
Undesignated	18,159,691	-	-	-	-	-	-	-	-	-
<i>(post GASB 54)</i>										
Non-spendable	-	9,554,965	9,545,194	8,098,274	8,317,376	7,288,398	8,181,368	6,778,094	9,567,714	9,587,329
Restricted	-	64,861	-	-	-	-	54,030	54,030	-	-
Committed	-	20,913,418	21,430,248	21,983,132	21,943,607	22,100,797	22,838,421	25,047,021	28,647,798	32,922,611
Assigned	-	9,246,000	8,218,619	9,718,619	9,718,619	6,218,619	6,218,619	5,000,000	5,000,000	5,000,000
Unassigned	-	26,763,823	27,321,625	27,228,179	20,212,026	16,622,116	14,200,844	24,060,353	18,787,277	22,292,284
Total General Fund	<u>\$ 57,249,554</u>	<u>\$ 66,543,067</u>	<u>\$ 66,515,686</u>	<u>\$ 67,028,204</u>	<u>\$ 60,191,628</u>	<u>\$ 52,229,930</u>	<u>\$ 51,493,282</u>	<u>\$ 60,939,498</u>	<u>\$ 62,002,789</u>	<u>\$ 69,802,224</u>
All other governmental funds										
<i>(prior to GASB 54)</i>										
Reserved	\$ 13,099,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	6,348,586	-	-	-	-	-	-	-	-	-
Capital projects funds	34,330,086	-	-	-	-	-	-	-	-	-
<i>(post GASB 54)</i>										
Nonspendable	-	10,354,760	7,170,057	9,264,806	7,192,814	36,639	79,653	67,309	68,729	65,335
Restricted	-	3,750	2,114,579	586,267	847,698	11,346,283	11,916,681	11,557,121	10,326,852	9,250,666
Committed	-	6,768,471	9,605,033	6,199,410	8,838,839	5,114,088	3,864,003	2,988,781	3,211,015	5,029,208
Assigned	-	44,721,770	34,586,829	30,329,564	27,941,051	17,532,230	6,366,498	23,886,488	19,744,146	51,113,731
Unassigned	-	-	-	(60,100)	(75,287)	(137,623)	-	(50,389)	-	-
Total all other governmental funds	<u>\$ 53,778,639</u>	<u>\$ 61,848,751</u>	<u>\$ 53,476,498</u>	<u>\$ 46,319,947</u>	<u>\$ 44,745,115</u>	<u>\$ 33,891,617</u>	<u>\$ 22,226,835</u>	<u>\$ 38,449,310</u>	<u>\$ 33,350,742</u>	<u>\$ 65,458,940</u>

NOTES:

(1) Fund balance information for governmental funds is reported on the modified accrual basis of accounting.

(2) Calvert County implemented GASB 54 starting with FY2011.

County Commissioners of Calvert County, Maryland
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited, see related notes below)
Schedule 5

	FY2010	FY2011	FY2012	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
REVENUES									
Taxes	\$ 200,892,163	\$ 219,762,773	\$ 220,823,988	\$ 217,073,039	\$ 221,813,316	\$ 226,781,277	\$ 241,314,657	\$ 271,981,379	\$ 288,988,225
Licenses and permits	328,671	292,301	304,571	336,520	288,914	325,668	340,437	286,463	335,646
Intergovernmental	10,635,443	10,939,016	10,137,812	15,528,056	11,700,996	11,644,413	10,815,637	13,133,597	13,285,218
Charges for services	3,585,775	3,337,111	3,303,365	5,474,201	5,886,992	5,879,714	5,853,515	6,306,291	7,076,243
Fines and forfeitures	340,061	598,175	477,806	654,560	657,909	536,954	826,327	604,463	465,698
Miscellaneous	8,123,831	7,147,229	15,496,237	5,095,650	4,283,005	5,096,726	5,782,512	5,399,617	10,312,836
Total revenues	<u>223,905,944</u>	<u>242,076,605</u>	<u>250,543,779</u>	<u>244,162,026</u>	<u>244,631,132</u>	<u>250,264,752</u>	<u>264,933,085</u>	<u>297,711,810</u>	<u>320,463,866</u>
EXPENDITURES									
General government	15,189,984	15,511,172	16,164,778	12,050,068	13,664,930	18,293,486	17,585,335	21,208,516	19,845,475
Public safety	25,987,152	26,616,262	27,372,685	27,740,436	28,642,775	28,865,454	31,568,314	33,086,614	36,727,583
General services	-	-	-	16,357,060 ⁽⁴⁾	16,101,033	16,099,868	16,555,689	17,722,303	18,972,063
Public works	10,984,725	9,103,252	9,758,758	9,510,233	8,163,402	6,073,958	6,510,467	11,305,572	11,800,446
Health and hospitals	2,774,768	2,627,530	2,767,520	-	-	-	-	-	-
Social services and health	8,957,279	8,314,076	8,351,728	6,468,234	6,589,566	4,162,989	4,121,080	4,184,306	4,124,716
Education - other	3,031,586	3,268,987	3,490,522	7,929,833	8,071,526	8,547,060	8,668,124	8,837,345	9,679,598
Board of Education	114,137,687	105,010,110	109,059,947	113,844,157	116,258,108	115,334,741	115,218,291	121,654,541	126,367,666
Recreation and culture	9,916,945	10,987,198	11,202,674	-	-	-	-	-	-
Conservation of natural resources	1,034,321	2,610,094	3,597,704	-	-	-	-	-	-
Urban development and housing	1,982,486	1,914,857	2,003,182	-	-	-	-	-	-
Economic development	1,209,744	1,234,891	1,273,769	1,130,190	1,167,949	1,066,088	1,113,222	689,604	771,596
Community resources	-	-	-	8,952,113 ⁽⁴⁾	8,254,333	8,494,081	9,012,567	8,512,915	9,089,106
Miscellaneous	18,890,672	23,205,341	29,522,254	-	-	-	-	-	-
Pension and insurance	-	-	-	19,231,184 ⁽⁴⁾	23,367,037	22,072,681	21,981,083	40,154,447	35,267,192
Capital projects	21,249,637	16,350,785	21,690,541	19,443,595	15,816,466	16,524,137	21,812,065	40,723,017	36,353,413
<u>Debt service</u>									
Principal retirement	12,024,609	11,233,501	10,971,736	12,113,675	12,910,722	13,127,382	13,561,110	13,282,117	15,533,117
Interest	4,851,414	4,631,143	5,108,954	4,530,901	4,384,851	3,952,297	3,548,591	4,459,843	4,752,870
Refunding expense	-	-	-	9,367	-	-	-	-	-
Total expenditures	<u>252,223,009</u>	<u>242,619,199</u>	<u>262,336,752</u>	<u>259,311,046</u>	<u>263,392,698</u>	<u>262,614,222</u>	<u>271,255,938</u>	<u>325,821,140</u>	<u>329,284,841</u>
Excess (deficiency) of revenues over expenditures	<u>(28,317,065)</u>	<u>(542,594)</u>	<u>(11,792,973)</u>	<u>(15,149,020)</u>	<u>(18,761,566)</u>	<u>(12,349,470)</u>	<u>(6,322,853)</u>	<u>(28,109,330)</u>	<u>(8,820,975)</u>
OTHER FINANCING SOURCES (USES)									
Proceeds from bond issuance	24,344,988	19,256,000	5,773,720	5,760,000	-	-	28,030,000	21,770,000	42,900,000
Amount deposited in refunding escrow	(5,191,344)	-	-	-	-	-	-	-	-
Premium of issuance of debt	743,436	1,326,199	568,872	281,302	-	-	3,980,709	2,335,706	5,848,954
Refunding bonds issued	-	-	21,785,000	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	2,422,139	-	-	-	-	-	-
Amount deposited in refunding escrow	-	-	(24,207,139)	-	-	-	-	-	-
Transfers in - other	10,296,056	11,355,542	11,966,387	12,975,736	14,872,453	13,017,754	12,695,788	22,402,181	22,118,351
Transfers out - other	(13,399,945)	(14,031,522)	(14,915,640)	(13,040,736)	(14,926,083)	(13,069,714)	(12,715,418)	(22,433,833)	(22,138,697)
Total other financing sources (uses)	<u>16,793,191</u>	<u>17,906,219</u>	<u>3,393,339</u>	<u>5,976,302</u>	<u>(53,630)</u>	<u>(51,960)</u>	<u>31,991,079</u>	<u>24,074,054</u>	<u>48,728,608</u>
Net change in fund balances	<u>\$ (11,523,872)</u>	<u>\$ 17,363,625</u>	<u>\$ (8,399,634)</u>	<u>\$ (9,172,718)</u>	<u>\$ (18,815,196)</u>	<u>\$ (12,401,430)</u>	<u>\$ 25,668,226</u>	<u>\$ (4,035,276)</u>	<u>\$ 39,907,633</u>
Debt service as a percentage of noncapital expenditures	8.76% (3)	7.50% (3)	6.86% (3)	7.34% (3)	7.50% (3)	6.74% (3)	6.76% (3)	5.95% (3)	6.70% (3)

NOTES:

(1) Governmental fund information is reported on the modified accrual basis of accounting.

(1) Debt service represents debt service principal, interest and any proceeds of bond issuance.

(2) Noncapital expenditures comes from the reconciliation of the statement of revenues, expenditures and changes in fund balance of the governmental funds to the statement of activities.

(3) Calculation based on Debt Service divided by Expenditures minus Capital Outlays (pg. 21).

(4) Beginning in FY14, expenditures were re-classified in the financial statements to match the budgetary document.

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*REVENUE CAPACITY
JUNE 30, 2019*

The following schedules contain information to help the reader access the government's most significant local revenue source, property taxes.

The revenue capacity schedules are:

- Assessed and estimated actual value of taxable property
- Direct and overlapping real property tax rates
- Principal property taxpayers
- Summary of property tax levies and collections

County Commissioners of Calvert County, Maryland
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited, see related notes below)
Schedule 6

Fiscal Year	Real Property				Personal Property		Total			
	Assessed Value	Exempt Property	Taxable Assessed Value	Direct Rate	Assessed Value	Direct Rate	Assessed Value	Taxable Assessed Value	% Taxable Assessed to total Estimated Actual Value	Estimated Actual Taxable Value
2010	15,571,990,076	987,183,072	14,584,807,004	0.892	504,475,135	2.23	16,076,465,211	15,089,282,139	93.86%	16,076,465,211
2011	14,334,949,486	1,022,420,831	13,312,528,655	0.892	874,351,230	2.23	15,209,300,716	14,186,879,885	93.28%	15,209,300,716
2012	13,473,142,494	1,030,936,269	12,442,206,225	0.892	921,126,040	2.23	14,394,268,534	13,363,332,265	92.84%	14,394,268,534
2013	12,717,190,774	992,111,598	11,725,079,176	0.892	950,398,120	2.23	13,667,588,894	12,675,477,296	92.74%	13,667,588,894
2014	12,353,843,462	993,239,398	11,360,604,064	0.892	956,990,624	2.23	13,310,834,086	12,317,594,688	92.54%	13,310,834,086
2015	12,379,649,469	984,185,935	11,395,463,534	0.892	994,496,590	2.23	13,374,146,059	12,389,960,124	92.64%	13,374,146,059
2016	12,430,209,777	1,025,082,884	11,405,126,893	0.892	1,006,057,047	2.23	13,436,266,824	12,411,183,940	92.37%	13,436,266,824
2017	12,692,489,553	1,066,023,322	11,626,466,231	0.952	1,054,509,666	2.23	13,746,999,219	12,680,975,897	92.25%	13,746,999,219
2018	13,177,150,888	1,075,807,026	12,101,343,862	0.937	321,317,861	2.23	13,498,468,749	12,422,661,723	92.03%	13,498,468,749
2019	12,932,166,837	1,089,171,106	11,842,995,731	0.937	329,743,350	2.23	13,261,910,187	12,172,739,081	91.79%	13,261,910,187

County Commissioners of Calvert County, Maryland
Direct and Overlapping Property Tax Rates (Per \$100 of Assessed Value)
Last Ten Fiscal Years
(unaudited, see related notes below)
Schedule 7

	Direct	Overlapping Rates	
		County Rate	Town Rate
		(1)	
Fiscal Year	Calvert County	Town of North Beach	Town of North Beach
2010	0.892	0.556	0.61
2011	0.892	0.556	0.63
2012	0.892	0.556	0.63
2013	0.892	0.556	0.63
2014	0.892	0.556	0.63
2015	0.892	0.556	0.63
2016	0.892	0.556	0.63
2017	0.952	0.616	0.63
2018	0.952	0.616	0.63
2019	0.937	0.601	0.6329

	Direct	Overlapping Rates	
		County Rate	Town Rate
		(1)	
Fiscal Year	Calvert County	Town of Chesapeake Beach	Town of Chesapeake Beach
2010	0.892	0.556	0.37
2011	0.892	0.556	0.37
2012	0.892	0.556	0.36
2013	0.892	0.556	0.36
2014	0.892	0.556	0.36
2015	0.892	0.556	0.36
2016	0.892	0.556	0.36
2017	0.952	0.616	0.35
2018	0.952	0.616	0.35
2019	0.937	0.601	0.3442

NOTES:

(1) Towns of North Beach and Chesapeake Beach pay only the overlapping rates for County and Town respectively.

County Commissioners of Calvert County, Maryland
Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited, see related notes below)
Schedule 8

Name of Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Taxable Assesed Value (1)	Rank	Percentage of Total Taxable Assesed Value	Taxable Assesed Value (1)	Rank	Percentage of Total Taxable Assesed Value
Dominion (1)	\$ 4,000,000,000	1	23.27%	\$ 670,823,600	1	5.40%
Exelon (2)	1,200,000,000	2	6.98%	406,728,590	2	3.27%
Southern Maryland Electric Co.	80,701,070	3	0.47%	36,344,600	3	0.29%
Asbury-Solomons	35,466,714	4	0.21%	29,864,851	5	0.24%
Dunkirk Gateway	28,682,634	5	0.17%	26,468,300	7	0.21%
Fox Run Ltd. Partnership	27,005,300	6	0.16%	32,376,833	4	0.26%
Market Square Shopping Center	26,250,600	7	0.15%	15,625,266	9	0.13%
Verizon	15,621,400	8	0.09%	27,532,170	6	0.22%
Pepco	11,880,910	9	0.07%			
Calvert Memorial Hospital	11,177,600	10	0.07%			
Holiday Inn Solomons				25,875,232	8	0.21%
Dunkirk Marketplace				11,342,900	10	0.09%
	<u>\$ 5,436,786,228</u>		31.63%	<u>1,282,982,342</u>		6.27%

NOTES:

Source: Maryland State Department of Assessments and Taxation.

(1) Dominion is currently under construction and due to a pilot agreement we do not receive an assessment and this is an estimate.

(2) Due to the change in Maryland property tax law in FY08 a PILOT (payment in lieu of taxes) agreement was entered into with Constellation which changed the taxable assessment. Amount reported here is estimated.

County Commissioners of Calvert County, Maryland
Summary of Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)
Schedule 9

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of levy		Amount	Percent of Levy
2010	137,446,533	133,596,703	97.20%	2,468,876	136,065,579	99.00%
2011	134,047,010	130,037,865	97.01%	2,578,268	132,616,133	98.93%
2012	128,140,153	125,344,923	97.82%	2,795,230	128,140,153	100.00%
2013	122,271,620	118,376,406	96.81%	2,563,774	120,940,180	98.91%
2014	119,166,157	116,735,560	97.96%	2,430,597	119,166,157	100.00%
2015	120,279,310	117,943,835	98.06%	2,335,475	120,279,310	100.00%
2016	120,625,659	118,229,042	98.01%	2,396,617	120,625,659	100.00%
2017	130,552,865	128,249,125	98.24%	2,303,740	130,552,865	100.00%
2018	118,613,338	116,144,154	97.92%	2,469,184	118,613,338	100.00%

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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*DEBT CAPACITY
JUNE 30, 2019*

The following schedules present information to help the reader assess the affordability of government's current levels of outstanding debt and government's ability to issue additional debt in the future.

The debt capacity schedules are:

- Ratios of outstanding debt by type
- Ratios of net general bonded debt per capita
- Pledged-revenue coverage

County Commissioners of Calvert County, Maryland
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands of dollars, except per capita)
(unaudited, see related notes below)
Schedule 10

Fiscal Year	Governmental Activity				Business Type Activity		Total Outstanding Debt	Debt Per Capita
	General Obligation Bonds	Office Building	Leveraging	Misc.	Notes Payable	General Obligation Bonds		
2010	126,019	620	10,414	621	7,612	3,871	149,157	1,681
2011	134,451	-	10,612	198	6,934	7,335	159,530	1,792
2012	129,402	-	7,933	159	6,413	10,823	154,730	1,694
2013	130,246	-	7,933	141	5,699	10,800	154,819	1,602
2014	123,661	-	7,820	123	11,937	13,604	157,145	1,559
2015	110,804	-	7,820	106	11,690	13,012	143,432	1,413
2016	97,094	-	5,619	88	13,451	12,379	128,631	1,789
2017	113,256	-	5,471	70	13,256	14,662	146,715	1,851
2018	123,086	-	4,450	52	12,732	16,316	156,636	2,155
2019	155,103	-	4,223	48	11,831	16,481	187,686	2,155

NOTES:

(1) See the Demographic and Economic Statistics schedule for personal income.

(2) N/A - current data is not available at this time.

County Commissioners of Calvert County, Maryland
Ratio of Net General Bonded Debt to Assessed Value and
Net Bonded Debt Per Capita
Last Ten Fiscal Years
(unaudited)
Schedule 11

Fiscal Year	Population	Taxable Assessed Value Real Property	Gross Bonded Debt	Self Supporting Debt (1)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Taxable Assessed Value Real & Personal Property Per Capita
2010	88,737	14,584,807,004	131,131,135	829,856	130,301,279	0.89%	1,468	164,360
2011	89,288	13,312,528,655	141,785,916	184,325	141,601,591	1.06%	1,586	149,097
2012	89,665	12,442,206,225	140,384,495	158,794	140,225,701	1.13%	1,564	138,763
2013	90,458	11,725,079,176	141,187,239	141,056	141,046,183	1.20%	1,559	129,619
2014	90,562	11,360,604,064	140,384,495	158,794	140,225,701	1.23%	1,548	125,446
2015	90,595	11,395,463,534	123,815,646	105,581	123,710,065	1.09%	1,366	125,785
2016	91,251	11,405,126,893	109,472,581	87,843	109,384,738	0.96%	1,199	124,986
2017	91,620	11,626,466,231	127,918,824	70,105	127,848,719	1.10%	1,395	126,899
2018	91,940	12,101,343,862	139,402,616	52,368	139,350,248	1.15%	1,516	131,622
2019	92,680	11,842,995,731	171,584,558	47,684	171,536,874	1.45%	1,851	127,784

NOTES:

(1) - Includes Waterway Improvement, Shore Erosion and State Office Building Debt. (State Office Building completed in FY2010)

County Commissioners of Calvert County, Maryland
Pledged-Revenue Coverage
Last Ten Fiscal Years
(unaudited)
Schedule 12

Fiscal Year	State Office Building (1)				Shore Erosion Bonds			
	State Office Building Receipts	Debt Service		Coverage	Shore Erosion Billed	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2010	629,965	590,000	39,965	1.00	26,258	23,322	-	1.13
2011	-	-	-	-	26,258	23,322	-	1.13
2012	-	-	-	-	26,258	23,322	-	1.13
2013	-	-	-	-	20,395	17,738	-	1.15
2014	-	-	-	-	20,395	17,738	-	1.15
2015	-	-	-	-	20,395	17,738	-	1.15
2016	-	-	-	-	20,395	17,738	-	1.15
2017	-	-	-	-	20,395	17,738	-	1.15
2018	-	-	-	-	17,542	17,738	-	0.99
2019	-	-	-	-	4,732	4,685	-	1.01

(1) State Office Building agreement was completed in FY2010.

*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND*

*DEMOGRAPHIC AND ECONOMIC INFORMATION
JUNE 30, 2019*

The following schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place, and to understand economic trends.

The demographic and economic schedules are:

- Demographic and economic statistics
- Principal employers

County Commissioners of Calvert County, Maryland
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited, see related notes below)
Schedule 13

Fiscal Year	Population (1)	Personal Income (\$ thousands)(1)	Per Capita Income (1)	Civilian Labor Force (2)	Unemploy- ment Rate Percent (2)	Public School Enrollment (3)
2010	88,737	4,060,283	45,666	48,220	6.80%	16,627
2011	89,288	4,594,276	51,464	48,070	6.40%	16,373
2012	89,665	4,706,731	53,142	47,997	6.30%	16,136
2013	90,458	4,703,325	52,594	48,163	6.00%	15,886
2014	90,562	4,853,808	53,995	47,889	5.30%	15,823
2015	90,595	5,074,942	56,232	48,509	4.60%	15,594
2016	91,251	N/A	57,688	48,171	3.80%	15,568
2017	91,620	N/A	N/A	49,327	3.90%	15,512
2018	91,940	N/A	N/A	50,034	4.30%	15,433
2019	92,680	N/A	N/A	49,892	3.70%	15,475

NOTES:

- (1) Source: Maryland Department of Planning, planning data sources from U.S. Bureau of Economic Analysis
(2) Source: U.S. Department of Labor Bureau of Labor Statistics
(3) Source: Calvert County Public Schools Budget Book

County Commissioners of Calvert County, Maryland
Principal Employers
Current Year and Nine Years ago
(unaudited, see related notes below)
Schedule 14

Employer	Fiscal Year 2019			Fiscal Year 2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Calvert County Public Schools	2,147	1	4.35%	1,872	1	4.82%
Calvert County Government	1,269	2	2.57%	840	3	2.16%
Calvert Memorial Hospital	1,225	3	2.48%	855	4	2.20%
Constellation Energy Group (1)	822	4	1.67%	1,227	2	3.16%
Wal-Mart	460	5	0.93%			
Giant Food	378	6	0.77%			
ARC of Southern Maryland	375	7	0.76%	355	5	0.91%
Chesapeake Beach Resort & Spa	239	8	0.48%			
Safeway	231	9	0.47%			
DynCorp				233	6	0.60%
Recorded Books				228	7	0.59%
Calvert Nursing Center				203	8	0.52%
The Gott Company				200	9	0.51%
Chesapeake Biological Laboratory				150	10	0.39%

NOTES:

(1) Employees of Calvert Cliffs Nuclear Power Plant - Corporate owner was Baltimore Gas and Electric (1997), and is now Exelon (2014).

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*COUNTY COMMISSIONERS OF CALVERT COUNTY
CALVERT COUNTY, MARYLAND
OPERATING INFORMATION
JUNE 30, 2019*

The following schedules contain service and infrastructure data that demonstrates how the information in the government's financial report relates to the services the government provides and the activities it performs.

The operating information schedules are:

- Full-time Calvert County employees by function
- Operating indicators by function
- Capital asset statistics by function

County Commissioners of Calvert County, Maryland
Full-time Calvert County Employees by Function
Last Ten Fiscal Years
(see related notes below)
Schedule 15

Function:	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
General Government										
Commissioners	6	6	6	6	6	6	6	6	6	6
Clerk of the commissioners	1	1	1	1	1	1	1	1	1	1
County administration	3	3	2	2	2	2	2	3	3	3
Technology services	21.8	21.8	22.8	22.8	23	23.6	23	25	26.3	27.3
Circuit court	10.9	10.9	10.9	10.9	13.9	13.9	13.9	13.9	14.6	14.6
Orphans court	3	3	3	3	3	3	3	3	3	3
States attorney	21.1	22.1	22.1	22.1	26	26	27	27	28	28.6
Human resources	8.6	8.6	8.6	8.6	8.6	8.6	8.6	12	16.3	17.3
Finance and budget	23.6	23.6	25.6	25.6	25.5	25.5	26.5	25.5	22.8	22.8
County treasurer	7.6	7.6	7.6	7.6	7.4	7.4	7.4	7.4	7.5	7.5
County attorney	4	4	4	4	4	4	4	5	5	6
Planning and zoning	26.2	26.1	26.1	29.4	29.4	28.9	29.4	29.5	32.8	32.3
Inspections and permits	14.2	14.2	14.2	14.2	13.2	14.2	14.2	14.2	16.2	16.7
Public Safety										
Public safety	2	2	2	2	2	2	2	2	3	3
Sheriffs office	139.2	142.2	146.2	146.4	151.4	154.6	150.9	162.4	168.9	173
Emergency communications	30	30	34	34	34	34	34	34	37	37.5
Detention center	81.6	85.6	88.6	88.6	87.6	87.6	87.5	87.5	90.5	90.5
Emergency management	3	3	3	3	3	3	3	3	3	3
Fire-rescue-EMS	4.5	5.5	5.5	5.5	5.5	5.5	6.5	6.5	6.5	7.5
Animal Shelter	0	0	0	0	0	0	0	0	15	15
Animal control	7	7	7	7	7	7	7	7	7	
General Services										
Director of General services	4	5	5	5	5	5	5	5	5	5
Buildings and grounds	32.7	32.7	31.7	31.7	29.7	30	30	30	31	31
Mosquito control	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	5.5	5.5
Parks and recreation	70.7	68.6	69.2	69.2	69.2	69.2	69.2	73	75	75.5
Railway museum	2	2	2	2	2	2	2	2	1.8	2.1
Marine museum	40.2	40.2	40.2	40.2	40.2	42.5	42.3	40.4	42.6	42.6
Natural resources	13.2	13.2	13.7	13.7	13.7	14.7	13.9	14.7	14.9	14.9
Public Works										
Public works/engineering	14.6	15.2	15.2	15.2	14.6	14.6	14.6	14.6	17.9	18.3
Project management	7	7	7	7	7	7	7	7	7	7
Highway maintenance	36.6	36	36	36	36	35	35	35	35	35
Fleet maintenance	10	10	10	10	10	9	9	9	9	9
Economic Development	12.1	12.5	12.5	12.5	12.4	12.4	12.4	13.8	9.3	9.3
Community and Media Relations	0	0	0	0	0	0	0	0	8.5	11.8
Community Resources										
Director of Community resources	4.5	4.5	5	5	5	5	4.5	4.5	4.5	4.5
Office on aging	24.6	24.6	24.6	24.6	23.6	23.3	23.3	24.3	24.8	24.8
Transportation	2.8	2.8	2.8	2.8	2.8	3.8	4	4	4	4
State Agencies and Independent Boards										
Election	9	9	9	9	9	9	9	9	9	9
Liquor board	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Soil Conservation	5	5	5	5	5	5	5	5	5	5
Environmental commission					0.1	0.1	0.1	0.1	0.1	0.1
Water and Sewer	33	33	32	32	30.7	32.7	33.7	36.2	36.2	36.4
Solid Waste	38.8	38.8	41.3	41.3	42.6	42.6	44.6	45.5	46.5	48.8
Chesapeake Hills Golf Course	10.9	10.9	10.9	11	11	13.2	13.3	13.3	13.3	14.3
Total	797.3	805.5	820.6	824.2	830.4	841.2	842.1	868.6	922.5	932.7

NOTES:

(1) Source: Calvert County's Adopted Operating and Capital Budgets FY2010-FY2019

County Commissioners of Calvert County, Maryland
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited, see related notes)
Schedule 16

Function:	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual
General Government										
Technology services										
Work orders completed	3,375	4,209	4,413	4,799	4,732	5,230	5,250	4,216	4,517	4,216
Support to desktop/laptop computers	835	875	726	853	899	938	988	975	1,148	975
Finance and budget										
Purchase orders processed	6,717	6,759	5,953	5,964	6,017	6,070	6,123	6,141	6,400	6,300
Accounts payable checks	14,852	15,334	15,834	15,100	15,600	15,600	15,555	15,533	14,320	17,070
Average number of employees per pay	1,049	1,112	1,117	1,091	1,085	1,094	1,100	1,105	1,110	1,154
Fixed assets maintained	15,804	13,352	13,687	14,037	14,387	14,421	14,853	14,565	15,630	15,965
Health care benefits managed	1,021	1,020	1,030	1,030	1,040	845	845	890	890	903
Credit card dollars collected	537,611	598,705	630,000	661,500	609,428	610,353	611,250	615,365	617,546	619,823
Credit card transactions	346	363	380	399	197	240	321	397	4,412	4,521
Real estate tax bills	42,236	42,297	42,349	42,419	42,469	42,650	42,650	42,860	43,862	42,435
Treasury										
Tax credits issued	1,633	1,822	1,625	1,664	1,648	1,652	1,652	1,711	1,785	1,802
Planning and zoning										
Major and minor subdivisions (new applications)	34	21	61	30	65	65	10	30	30	27
Inspections and permits										
Building/Home/Signs/demo permits issued	1,472	1,492	1,613	1,421	1,455	1,570	1,650	2,100	1,500	1,800
Grading permits issued	672	783	734	678	687	675	640	900	600	623
Electrical permits issued	1,471	1,437	1,735	1,580	1,489	1,605	1,685	2,000	1,500	1,612
Plumbing permits issued	744	873	897	877	834	1,015	1,120	1,200	750	618
Public Safety										
Control center										
Number of incidents handled	151,224	138,437	145,358	152,626	89,492	73,018	90,436	104,758	208,834	208,834
Detention center										
Average daily population	288	233	212	241	249	266	240	250	250	252
Work release (adp)	39	32	28	25	84	90	94	91	88	91
Sheriff's office										
Calls for service	84,513	87,045	89,659	89,659	108,220	108,220	71,421	95,623	71,321	73,900
Murder cases	-	-	-	3	2	2	2	2	1	2
Rape cases	17	10	10	14	11	11	11	15	12	11
Robbery cases	26	27	29	26	24	24	27	30	16	13
Aggravated assault cases	123	56	56	56	79	79	81	85	65	60
Theft cases	1,204	1,100	1,100	1,392	1,436	1,436	794	807	651	661
Auto theft cases	92	55	55	60	48	48	40	46	43	31
Domestic violence incidents responded to	1,287	1,325	1,364	1,364	1,213	1,213	1,144	1,169	1,170	1,215
Business & community patrol checks	33,977	29,724	30,615	30,615	47,965	47,965	14,224	44,658	45,248	11,214
Sex offenders registered in Calvert County	107	109	112	112	114	114	91	102	105	113
School related incidents/investigations	1,574	1,621	1,669	1,900	1,000	1,900	1,979	1,864	1,868	1,852
Fire and rescue										
Total calls responded	19,708	21,240	21,000	20,306	20,000	20,000	22,000	21,000	21,500	22,000
Animal control										
Calls for service	5,601	6,129	5,000	4,900	5,400	5,200	4,365	4,800	4,450	5,050
General Services										
Railway museum										
Outreach participants	4,150	4,200	4,200	4,200	5,204	5,204	5,204	5,000	6,500	6,721
Participants in programs	5,118	6,197	8,298	7,521	6,822	5,000	5,000	5,000	6,500	6,721
Public Works										
Major and minor subdivisions	149	54	51	36	25	26	26	22	25	26
Road plans	24	9	13	18	2	5	8	6	10	7
Project management										
Miles of roadway resurfaced	12	8	8	13	8	8	8	1	13	17
Fleet maintenance										
Work orders	2,837	2,361	2,283	2,082	2,042	2,150	2,200	2,400	2,600	2,650
Community Resources										
Transportation										
Yearly ridership	109,705	108,875	109,658	112,874	112,900	113,000	113,300	117,000	130,000	119,664
Education										
Public library										
Circulation of materials	1,154,634	1,153,773	1,142,301	1,121,505	1,122,168	1,122,168	1,122,500	1,123,400	1,159,131	1,095,094
Reference questions	120,646	121,536	137,519	145,954	154,014	154,014	155,224	162,456	186,108	214,045
Program attendance	46,738	51,196	53,907	57,109	60,224	60,224	60,351	61,487	56,349	54,837
In-person visits	602,683	600,371	609,958	586,710	548,444	548,444	548,621	549,368	432,927	445,380
Digital Visits	not tracked	not tracked	not tracked	not tracked	not tracked	not tracked	430,734	262,073	346,000	347,045
Computer uses	145,278	152,831	151,002	141,507	140,275	140,275	141,200	143,850	134,942	137,527
Registered borrowers	57,549	60,574	61,895	65,631	63,861	63,861	63,958	64,215	70,227	58,366
Water and Sewer										
Number of customers	5,076	5,104	5,153	5,190	5,267	5,267	5,389	5,400	5,519	5,658

NOTES:

(1) Source: Calvert County's Adopted Operating and Capital Budget FY2010-2019

(2) Source: Calvert County Sheriff's Office

*projected

County Commissioners of Calvert County, Maryland
Capital Asset Statistics by Function
Last Nine Fiscal Years
(unaudited, see related notes below)
Schedule 17

Function:	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	140	141	141	125	141	127	127	127	130	133
Special purpose units	5	6	6	6	6	7	7	9	9	9
Fire protection:										
Fire stations	5	6	6	6	6	6	6	6	6	6
Pumpers	12	12	12	12	12	12	12	12	12	12
Ambulances	14	14	14	14	14	14	14	15	15	15
Rescue trucks	7	7	6	6	7	6	6	6	6	6
Aerial trucks/towers	3	3	3	3	3	3	3	3	4	4
Brush units	13	13	13	13	13	13	13	14	14	14
Tankers	5	5	5	5	5	5	5	5	5	5
Jet skis	2	2	2	2	2	2	2	2	2	2
Dive rescue van	1	1	1	1	1	1	1	1	1	1
Fire-rescue boats	3	3	3	3	3	3	3	2	2	4
Mass casualty unit/trailer	1	1	1	1	1	1	1	1	1	1
Inflatable boats	6	6	6	6	6	6	6	6	6	6
Paramedic units	5	5	5	5	5	5	5	6	6	6
Air cascade units	2	2	2	2	2	2	2	1	0	0
Other utility types	25	25	25	25	25	25	25	31	31	31
Community Resources										
Transportation:										
Passenger buses	17	17	17	19	17	19	19	16	19	20
Public Works										
County owned streets in miles	452	452	452	462	452	462	462	464	466	470
Recreation										
Multi-use fields with baseball/softball	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	19	19
Multi-use fields without baseball/softball	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	29	29
Baseball fields	20	20	20	20	20	20	20	20	20	20
Football fields	7	7	7	7	7	7	7	7	7	7
Basketball courts	6	6	6	6	6	8	8	8	9	9
Tennis courts	10	10	12	12	12	14	14	14	12	12
Picnic area/pavillions	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12	12
Bathrooms	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12	12
Playgrounds	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12	12
Skate park	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	1
Dog park	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2	3
Pickleball court	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10	12
Public beach	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	1
Porta-johns parks	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	17	17
Porta-johns school fields	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	24	24
Pools	3	3	3	3	3	3	3	3	3	3
Golf course	1	1	1	1	1	1	1	1	1	1
Playgrounds and parks in acres	360	375	375	580	360	580	580	580	676	676
Highly maintained turf acres	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	56	56
General turf covered open space acres	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	135	135
Water and Sewer										
Water mains in miles	77	77	77	79	77	85	85	85	85	85
Water systems	21	21	20	21	20	19	19	19	19	19
Storage tanks	14	14	14	14	14	13	13	14	14	14
Sewer mains in miles	66	66	66	68	66	77	77	77	77	77
Sewer treatment plants	9	9	8	8	8	6	6	5	5	5
Sewer pumping stations	39	39	39	39	39	43	43	45	45	45

NOTES:

(1) Source: Various county departments



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS
 OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the County Commissioners of Calvert County, Maryland
 Prince Frederick, Maryland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County Commissioners of Calvert County, Maryland (the County) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 20, 2019.

Internal Controls over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal controls over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal controls. Accordingly, we do not express an opinion on the effectiveness of the County's internal controls.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland
 December 20, 2019

SB & Company, LLC

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER AND SEWER FUND
YEAR ENDED JUNE 30, 2019

	<u>Water Systems</u>	<u>Sewer Systems</u>	<u>Contracted Systems</u>	<u>Administrative and Shared Costs</u>	<u>Total</u>
<u>Operating revenues</u>					
Charges for services	\$ 2,915,040	\$ 5,376,209	\$ 119,810	\$ -	\$ 8,411,059
<u>Operating expenses</u>					
Salaries & benefits	537,520	833,768	100,126	1,451,612	2,923,026
Contracted services	81,530	1,013,858	3,267	43,102	1,141,757
Supplies	115,856	154,753	2,928	29,875	303,412
Heat, light and power	211,889	419,662	-	762	632,313
Depreciation	906,222	1,490,140	-	315,009	2,711,371
Miscellaneous	-	1,076	35	98,714	99,825
Telephone	-	3,936	353	26,050	30,339
Compensated absences	13,920	15,015	468	19,646	49,049
Maintenance and repairs	303,413	185,436	4,276	65,304	558,429
Capital outlay	2,092	29,358	100	6,521	38,071
Total operating expenses	<u>2,172,442</u>	<u>4,147,002</u>	<u>111,553</u>	<u>2,056,595</u>	<u>8,487,592</u>
Operating income (loss)	<u>742,598</u>	<u>1,229,207</u>	<u>8,257</u>	<u>(2,056,595)</u>	<u>(76,533)</u>
<u>Non-operating revenues (expenses)</u>					
Grants	-	-	-	-	-
Deferred amount on refunding	-	-	-	-	-
Miscellaneous income	28,235	41,509	-	72,404	142,148
FEMA grant reimbursement	-	-	-	-	-
Tower revenue	157,196	-	-	-	157,196
Investment income	11,903	32,987	-	444,367	489,257
Interest expense	(155,414)	(366,982)	-	(15,758)	(538,154)
Administrative allocation	(855,790)	(691,535)	(8,257)	1,555,582	-
Total non-operating revenues (expenses)	<u>(813,870)</u>	<u>(984,021)</u>	<u>(8,257)</u>	<u>2,056,595</u>	<u>250,447</u>
Income (loss) before contributions and transfers	<u>(71,272)</u>	<u>245,186</u>	<u>-</u>	<u>-</u>	<u>173,914</u>
<u>Transfers</u>					
Transfers in (out)	-	29,314	-	-	29,314
Capital connection charges	312,037	562,463	-	-	874,500
Developer contribution	-	159,857	-	-	159,857
Change in net position	<u>240,765</u>	<u>996,820</u>	<u>-</u>	<u>-</u>	<u>1,237,585</u>
Total net position - beginning	<u>5,854,553</u>	<u>22,444,215</u>	<u>-</u>	<u>1,999,832</u>	<u>30,298,600</u>
Total net position - ending	<u>\$ 6,095,318</u>	<u>\$ 23,441,035</u>	<u>\$ -</u>	<u>\$ 1,999,832</u>	<u>\$ 31,536,185</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

SCHEDULE OF REAL AND PERSONAL TAXES RECEIVABLE
GENERAL FUND
JUNE 30, 2019

	Total Assessed Value of Taxable Property	Tax Rate Per \$100 of Assessed Value	Actual Tax Levy	Amount Collected	Balance of Taxes Receivable
<u>County Portion</u>					
<u>Current year property - locally assessed</u>					
Real property:					
For full year levy	\$ 10,764,527,819	\$ 0.937	\$ 100,863,626	\$ 98,399,873	\$ 2,463,753
For half year levy	52,954,570	0.469	248,092	248,092	-
North Beach	245,941,741	0.601	1,478,110	1,478,110	-
Chesapeake Beach	779,571,601	0.601	4,685,225	4,685,225	-
Total real property	11,842,995,731		107,275,053	104,811,300	2,463,753
Personal property, including corporations and banks	161,977,440	2.230	3,612,097	2,873,339	738,758
Public utilities operating and personal property	167,765,910	2.230	3,741,180	3,741,180	-
Total current year	<u>\$ 12,172,739,081</u>		<u>\$ 114,628,330</u>	<u>\$ 111,425,819</u>	<u>\$ 3,202,511</u>
Prior years, real, personal, and corporate property					1,866,467
Accrued interest receivable and service charge					<u>1,714,067</u>
Total prior years, accrued interest and interest and outstanding tax credit					<u>3,580,534</u>
Total taxes receivable - county portion					6,783,045
Taxes receivable - state portion, net of tax credits					556,851
Taxes receivable - towns portion, net of tax credits					358,862
Bay Restoration fee due to state - billed with Real estate taxes					<u>31,921</u>
Total taxes receivable					<u>\$ 7,730,679</u>

COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
CALVERT COUNTY FAMILY NETWORK
FOR THE YEAR ENDED JUNE 30, 2019**

	CCFN Administrative GOC	CCFN Administrative Healthy Fam	Healthy Families	Reentry Case Management	LCT Coordinator	Resource Development	Home Visit Hybrid	No Kid Hungry	Growing Food Matters	Youth & Young Adult Initiative	Total
REVENUES											
Federal revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State revenue	78,309	6,405	234,361	84,750	69,856	24,711	67,177	-	11,352	266	577,187
Other revenue	-	-	-	-	-	-	-	2,655	-	-	2,655
Reinvestment Funds	9,256	-	-	-	-	-	-	-	-	-	9,256
Transfer In	14,235	-	-	-	-	-	-	-	-	-	14,235
Total revenues	101,800	6,405	234,361	84,750	69,856	24,711	67,177	2,655	11,352	266	603,333
EXPENDITURES											
Salaries	43,298	-	-	-	43,888	-	-	-	-	-	87,186
Printing & Office Supplies	961	264	-	-	-	-	-	-	-	-	1,225
Promotional Items	-	2,137	-	-	-	-	-	-	-	-	2,137
Advertising	-	2,018	-	-	-	-	-	-	-	-	2,018
Postage	120	27	-	-	-	-	-	-	-	-	147
Mileage allowance	678	-	-	-	-	-	-	-	-	-	678
Conferences & Training	336	150	-	-	-	-	-	-	-	-	486
Board of Education	-	-	234,361	-	-	-	-	-	-	-	234,361
Contracted services	20,444	1,215	-	84,750	-	24,150	67,177	2,655	11,352	266	212,009
Reinvestment Funds Expense	9,256	-	-	-	-	-	-	-	-	-	9,256
Food	-	594	-	-	-	561	-	-	-	-	1,155
Telephone	728	-	-	-	-	-	-	-	-	-	728
Benefits	25,979	-	-	-	25,968	-	-	-	-	-	51,947
Total expenditures	101,800	6,405	234,361	84,750	69,856	24,711	67,177	2,655	11,352	266	603,333
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

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Draft Approving Opinion of Bond Counsel – Tax-Exempt Bonds
(Letterhead of McGuireWoods LLP)

[Closing Date]

County Commissioners of Calvert County
Courthouse
175 Main Street
Prince Frederick, Maryland 20678

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by County Commissioners of Calvert County, a body politic and corporate and a political subdivision of the State of Maryland (the “County”), of its \$22,155,000 Consolidated Public Improvement and Refunding Bonds, 2020 Series (Tax-Exempt) (the “Bonds”), which are described as follows:

Dated the date of initial delivery, interest payable semiannually on each January 1 and July 1, beginning January 1, 2021 until maturity or earlier redemption; fully registered in form in the denomination of \$5,000 each or any integral multiple thereof; issued under the provisions of Chapter 27 of the Laws of Maryland of 2015, Chapter 182 of the Laws of Maryland of 2016, Chapter 80 of the Laws of Maryland of 2017, Chapter 117 of the Laws of Maryland of 2018, Chapter 326 of the Laws of Maryland of 2020 and Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume) (collectively, the “Acts”); authorized to be issued and awarded by Resolutions adopted by the Board of County Commissioners of Calvert County on September 29, 2020 and October 22, 2020, respectively (collectively, the “Resolutions”); and maturing, subject to prior redemption, on July 1 in each of the years and in the amounts, and bearing interest at such rates, as set forth in the Bonds.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering the opinions specifically expressed herein.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities, and we have not independently verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents.

We are qualified to practice law in the State of Maryland, and we do not purport to be experts on, or to express any opinion herein concerning, any law other than the law of the State of Maryland and the federal law of the United States of America.

With respect to an executed and authenticated Bond which we have examined and Bonds similarly executed and authenticated, it is our opinion under existing law that:

(a) The County is a validly existing body politic and corporate of the State of Maryland, possessing the authority under the Acts to issue the Bonds.

(b) The Bonds have been duly authorized and legally issued in accordance with the Constitution and Public Laws of the State of Maryland, including the Acts, and the Resolutions.

(c) The Bonds are valid and legally binding general obligations of the County to which its full faith and credit are pledged, payable as to both principal and interest from ad valorem taxes which the County is empowered and directed to levy, without limitation of rate or amount, upon all property subject to taxation by the County.

(d) To provide for the payment of the principal of and interest on the Bonds, the County, by the adoption of the Resolutions, has covenanted to levy said ad valorem taxes in each fiscal year in which provision must be made for the payment of such principal and interest.

(e) Under current law, interest on the Bonds (i) is excludable from the gross income of the owners of the Bonds for purposes of Federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) is not a specific item of tax preference for purposes of the Federal alternative minimum tax. We express no opinion regarding other Federal tax consequences arising with respect to the Bonds.

In providing the opinions set forth in this paragraph (e), we are assuming continuing compliance with the Covenants (as hereinafter defined) by the County. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from gross income for purposes of Federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bonds and the use of the property financed or refinanced by the Bonds, limitations on the source of the payment of and the security for the Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the United States Treasury. The Non-Arbitrage Certificate and Tax Covenants of even date herewith executed and delivered by the County (the "Tax Certificate") contains covenants (the "Covenants") under which the County has agreed to comply with such requirements. Failure by the County to comply with the Covenants could cause interest on the Bonds to become includable in gross income for Federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for Federal income tax purposes. We have no responsibility to monitor compliance with the Covenants after the date of issue of the Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Tax Certificate. We express no opinion concerning any effect on the excludability of interest on the Bonds from gross income for Federal income tax purposes under Section 103 of the Code of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this firm.

(f) Under existing law of the State of Maryland, the Bonds, their transfer, the interest thereon, and any income therefrom (including any profit made in the sale thereof) are exempt from state, county, municipal or other taxation of every kind and nature within the State of Maryland; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds, their transfer or the interest thereon.

This opinion is given as of its date and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

It is to be understood that the rights of any holder of the Bonds and the enforceability of Bonds may be subject to (a) any applicable bankruptcy, insolvency (including, without limitation, laws relating to preferences and fraudulent transfers or conveyances), reorganization, moratorium and other similar laws affecting creditors' rights generally, (b) the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and (c) the valid exercise of constitutional powers of the United States of America and of the sovereign police and taxing powers of the State of Maryland or other governmental units having jurisdiction.

Very truly yours,

McGuireWoods LLP

Draft Approving Opinion of Bond Counsel - Taxable Bonds
(Letterhead of McGuireWoods LLP)

[Closing Date]

County Commissioners of Calvert County
Courthouse
175 Main Street
Prince Frederick, Maryland 20678

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by County Commissioners of Calvert County, a body politic and corporate and a political subdivision of the State of Maryland (the “County”), of its \$17,700,000 Refunding Bonds, 2020 Series (Taxable) (the “Bonds”), which are described as follows:

Dated the date of initial delivery, interest payable semiannually on each May 1 and November 1, beginning May 1, 2021 until maturity or earlier redemption; fully registered in form in the denomination of \$5,000 each or any integral multiple thereof; issued under the provisions of Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume) (the “Act”); authorized to be issued and awarded by Resolutions adopted by the Board of County Commissioners of Calvert County on September 29, 2020 and October 22, 2020, respectively (collectively, the “Resolutions”); and maturing, subject to prior redemption, on May 1 in each of the years and in the amounts, and bearing interest at such rates, as set forth in the Bonds.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering the opinions specifically expressed herein.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities, and we have not independently verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents.

We are qualified to practice law in the State of Maryland, and we do not purport to be experts on, or to express any opinion herein concerning, any law other than the law of the State of Maryland and the federal law of the United States of America.

With respect to an executed and authenticated Bond which we have examined and Bonds similarly executed and authenticated, it is our opinion under existing law that:

(a) The County is a validly existing body politic and corporate of the State of Maryland, possessing the authority under the Act to issue the Bonds.

(b) The Bonds have been duly authorized and legally issued in accordance with the Constitution and Public Laws of the State of Maryland, including the Act, and the Resolutions.

(c) The Bonds are valid and legally binding general obligations of the County to which its full faith and credit are pledged, payable as to both principal and interest from ad valorem taxes which the County is empowered and directed to levy, without limitation of rate or amount, upon all property subject to taxation by the County.

(d) To provide for the payment of the principal of and interest on the Bonds, the County, by the adoption of the Resolutions, has covenanted to levy said ad valorem taxes in each fiscal year in which provision must be made for the payment of such principal and interest.

(e) Under current law, interest on the Bonds is includable in the gross income of the owners of the Bonds for purposes of Federal income taxation.

(f) Under existing law of the State of Maryland, the Bonds, their transfer, the interest thereon, and any income therefrom (including any profit made in the sale thereof) are exempt from state, county, municipal or other taxation of every kind and nature within the State of Maryland; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds, their transfer or the interest thereon.

This opinion is given as of its date and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

It is to be understood that the rights of any holder of the Bonds and the enforceability of Bonds may be subject to (a) any applicable bankruptcy, insolvency (including, without limitation, laws relating to preferences and fraudulent transfers or conveyances), reorganization, moratorium and other similar laws affecting creditors' rights generally, (b) the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and (c) the valid exercise of constitutional powers of the United States of America and of the sovereign police and taxing powers of the State of Maryland or other governmental units having jurisdiction.

Very truly yours,

McGuireWoods LLP

NOTICE OF SALE
\$20,305,000*
COUNTY COMMISSIONERS OF CALVERT COUNTY
CONSOLIDATED PUBLIC IMPROVEMENT AND REFUNDING BONDS, 2020 SERIES (TAX-EXEMPT)

Electronic Bids via **PARITY®** will be received for the above-captioned issue of general obligation bonds (the “Bonds”) of County Commissioners of Calvert County (the “County”) by the Director of Finance and Budget of the County, 1st Floor, Courthouse, 175 Main Street, Prince Frederick, Maryland 20678, until 10:15 a.m. local time on Thursday,

October 22, 2020.

Dated Date and Interest Payment Dates. The Bonds will be dated their date of initial delivery. Interest on the Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2021, until maturity or prior redemption.

Principal Amounts and Principal Payment Dates. The Bonds will be issued in serial form in the aggregate principal amount of \$20,305,000* and will mature on July 1 in the following years and in the following principal amounts:

<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount*</u>	<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount*</u>
2021	\$1,705,000	2034	\$1,140,000
2022	1,800,000	2035	1,175,000
2023	1,895,000	2036	85,000
2024	1,995,000	2037	85,000
2025	2,100,000	2038	90,000
2026	790,000	2039	90,000
2027	825,000	2040	95,000
2028	870,000	2041	95,000
2029	920,000	2042	100,000
2030	960,000	2043	105,000
2031	1,010,000	2044	105,000
2032	1,060,000	2045	110,000
2033	1,100,000		

Adjustments. The aggregate principal amount of the Bonds and the principal amount of each maturity of the Bonds as set forth in this Notice of Sale may be revised both before and after the receipt and opening of electronic bids for their purchase. Any revisions to the aggregate principal amount of the Bonds and the principal amount of each maturity made before the sale will be published on Parity/www.i-dealprospectus.com or TM3 News Service (“TM3”) not later than 9:30 a.m., local time on the date of sale or as soon thereafter as is reasonably practicable and will be used to compare bids and select the winning bidder. Any revisions to the aggregate principal amount of the Bonds and the principal amount of each maturity made after the sale will be communicated to the successful bidder by 5:00 p.m. local time on the date of sale and may be made, in the sole discretion of the County and will not reduce or increase the aggregate principal amount of the Bonds by more than 15%. The dollar amount bid for principal and any amount bid for premium by the successful bidder will be adjusted proportionately to reflect any reduction in the aggregate principal amount of the Bonds, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

General Obligations. The Bonds will be the unconditional general obligation of the County and will be issued upon its full faith and credit, which will be irrevocably pledged to the prompt payment of the principal of and interest on all of the Bonds as the same become due.

*Preliminary, subject to change.

Book-Entry Form; Payment. The Bonds will be issued in book-entry form by issuing a single bond for each maturity registered in the name of Cede & Co. as nominee for The Depository Trust Company or its successor (“DTC”) and immobilized in its custody under DTC’s “FAST” system (provided that if DTC so requests or if DTC is replaced as the depository for the Bonds, replacement bonds will be issued in the denominations of \$5,000 or any integral multiples thereof). Principal of the Bonds will be payable at maturity to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

The principal of the Bonds will be payable at the designated office of Manufacturers and Traders Trust Company, Buffalo, New York (the “Bond Registrar”), upon presentation and surrender of the Bonds. Payment of interest on the Bonds shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of the County maintained by the Bond Registrar as the registered owner thereof, by check or draft mailed to each such registered owner at the address appearing on such registration books on the record date for the Bonds, which shall be the fifteenth day of the month next preceding each interest payment date. Notwithstanding the foregoing, while the Bonds are registered under DTC’s book-entry only system, payment of the principal of and interest on the Bonds shall be made by the Bond Registrar to DTC or its nominee in accordance with the procedures of DTC.

Authorization and Use of Proceeds. The issuance of the Bonds is authorized by Chapter 27 of the Laws of Maryland of 2015, Chapter 182 of the Laws of Maryland of 2016, Chapter 80 of the Laws of Maryland of 2017, Chapter 117 of the Laws of Maryland of 2018, Chapter 326 of the Laws of Maryland of 2020 and Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume). The proceeds of the Bonds will be applied (a) to finance all or a portion of the costs associated with the acquisition, alteration, construction, reconstruction, enlargement, equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading, repair and development of (1) Fire, Rescue and EMS Apparatus, (2) the Public Safety 800 MHz System, (3) Northern High School Replacement, (4) Beach Elementary Replacement, (5) Northern Middle School Sewerage Treatment Plant, (6) Solomons Headworks Equipment, (7) Prince Frederick Boulevard Watermain Replacement, (8) Prince Frederick Pump Station and (9) Calvert Memorial Wastewater Pump Station, (b) to refund certain outstanding general obligation bonds of the County, and (c) to pay all costs, fees and expenses, including advertising, printing, financial advisory and legal fees, incurred in the issuance and sale of the Bonds.

Optional Redemption. The Bonds maturing on or before July 1, 2030 are not subject to redemption prior to their maturities. The Bonds maturing on or after July 1, 2031 shall be subject to redemption prior to their respective maturities, at the option of the County, at any time on or after July 1, 2030, either as a whole or in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed. The procedures for redemption of the Bonds, including the requirements for giving notice of such redemption, are described in the Preliminary Official Statement (hereinafter defined) and are incorporated herein by reference.

TERMS OF SALE

Electronic Bids. Electronic bids will be received via **PARITY®** pursuant to this Notice of Sale until 10:15 a.m. local time on the date of sale, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY®** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY®**, potential bidders may contact **PARITY®** at (212) 849-5021. Bidders may only submit bids electronically via **PARITY®**.

Each prospective bidder shall be solely responsible to submit its bids via **PARITY®** as described above. Each prospective bidder shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor **PARITY®** shall have any duty or obligation to provide or assure access to **PARITY®** to any prospective bidder, and neither the County nor **PARITY®** shall be responsible for proper operation of, or have any liability for delays or interruptions of, or any damages caused by, **PARITY®**. The County is using **PARITY®** as a communication mechanism, and not as the County’s agent, to conduct the electronic bidding

for the Bonds. The County is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid parameters set forth herein. All costs and expenses incurred by prospective bidders in connection with their submissions of bids via **PARITY®** are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, such bidder should telephone **PARITY®** at (212) 849-5021 and notify the County's Financial Advisor, Davenport & Company LLC, by facsimile at (866) 932-6660 and by telephone at (410) 296-9426.

Electronic bids must be submitted for the purchase of the Bonds (all or none) via **PARITY®**. Bids will be communicated electronically to the County at 10:15 a.m. local time, on October 22, 2020. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via **PARITY®**, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via **PARITY®** to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. *For purposes of the electronic bidding process and the time for submitting sealed bids, the time as maintained on **PARITY®** shall constitute the official time.*

Designation of Term Bonds. Bidders may designate in their bid two or more consecutive serial maturities as a term bond which matures on the maturity date of the last serial maturity of the sequence. More than one such sequence of serial maturities may be designated as a term bond. Any term bond so designated shall be subject to mandatory redemption in each year on the principal payment date and in the entire amount of each serial maturity designated for inclusion in such term bond.

Bidding Constraints. Each bidder shall submit one bid via **PARITY®** on an "all-or-none" basis. Each bid must specify the rate or rates of interest to be paid on the Bonds, in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%). Bidders may specify more than one rate of interest to be borne by the Bonds, but all Bonds maturing on the same date must bear interest at the same rate. Bidders may not specify (1) any interest rate for any Bonds which exceeds the interest rate stated in such bid for any other Bonds by more than 3.00%, (2) any interest rate that exceeds 5.00%, or (3) a zero rate of interest. Bidders are requested to specify the true interest cost (computed in accordance with the terms of this Notice of Sale) in their bids for the Bonds. A bid for the purchase of the Bonds at a price of less than 100% of par, or a bid for the Bonds that specifies split or supplemental interest rates, will not be considered. The County will also not consider and will reject any bid for the purchase of less than all of the Bonds. All bids must be unconditional.

By submitting a bid for the Bonds, the bidder agrees, if it is the successful bidder for the Bonds, (1) to provide full and complete pricing information with respect to the Bonds to the County in a timely manner so that the County may fulfill its obligation relating to the delivery of the Official Statement to the purchaser of the Bonds within seven business days following the award, including, without limitation, the offering price(s), interest rate(s), selling compensation, delivery dates and other similar information; (2) to comply with the requirements of SEC Rule 15c2-12 ("Rule 15c2-12"), applicable federal and state securities laws and the applicable rules of the Municipal Securities Rulemaking Board (the "MSRB") in connection with the offer and sale of the Bonds; and (3) within three business days after the final Official Statement becomes available, to cause copies thereof to be filed with the MSRB.

Good Faith Deposit. A good faith deposit (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit will be provided in the form of a federal funds wire transfer in the amount of \$203,050 to be submitted to the County by the successful bidder not later than 3:00 p.m. local time (the "Deposit Deadline") on the date of sale. The Deposit of the successful bidder will be retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages.

The County shall distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the County in its discretion without any financial liability of the County to the successful bidder or any limitation whatsoever on the County's right to sell the Bonds to a different purchaser upon such terms and conditions as the County shall deem appropriate.

Award of Bonds. The County will not consider and will reject any bid for the purchase of less than all of the Bonds. THE RIGHT IS RESERVED TO REJECT ANY AND ALL BIDS AND TO WAIVE ANY IRREGULARITY OR NON-CONFORMITY IN ANY BID. Bids will be opened promptly after 10:15 a.m. local time (as determined in accordance with the time as maintained on **PARITY®**) on October 22, 2020. The award, if made, will be made as promptly as possible after the bids are opened to the bidder offering the lowest interest rate to the County. The lowest interest rate shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid. The TIC shall be as determined by the financial advisor to the County based on the terms of this Notice of Sale and all amendments thereto and on each bid as submitted. If two or more bidders offer to purchase the Bonds at the same lowest true interest cost, then such award will be made to the bidder offering the highest premium. If two or more bidders offer to purchase the Bonds at the same lowest true interest cost, with the same premium, the Bonds will be awarded by lot to one of such bidders. The judgment of the County shall be final and binding upon all bidders with respect to the form and adequacy of any bid received and as to its conformity to the terms of this Notice of Sale.

Establishment of Issue Price. The successful bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-1 or Exhibit A-2, as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the County and Bond Counsel. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County’s financial advisor identified herein and any notice or report to be provided to the County may be provided to the County’s financial advisor.

The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

By submitting a bid, each bidder (i) confirms that its bid is a firm offer for the purchase of the Bonds identified in this Notice of Sale, on the terms set forth in its bid and this Notice of Sale, except as permitted by this Notice of Sale and (ii) represents that it has an established industry reputation for underwriting new issuances of municipal bonds.

In the event that the competitive sale requirements are not satisfied, the County shall so advise the successful bidder. The County may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the County if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The County shall promptly advise the successful bidder, at or before the time of award of the Bonds, which

maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the County determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to the County the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

The County acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Bonds are awarded by the County to the successful bidder.

Postponement of Sale; Change in Bidding Constraints. The County reserves the right to postpone, from time to time, the date or time established for the receipt of the bids or to change the bidding constraints on the Bonds. Any such postponement or change in bidding constraints will be announced on TM3 News Service or Parity/www.i-dealprospectus.com by notice given not later than 1:00 p.m. local time, on the last business day prior to any announced date for receipt of bids. If any date fixed for the receipt of bids and the sale of the Bonds is postponed, any alternative sale date will be announced on TM3 News Service or Parity/www.i-dealprospectus.com at least 48 hours prior to such alternative sale date. In addition, the County reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent alternative sale date. On any such alternative sale date, any bidder may submit an electronic bid via **PARITY®** for the purchase of the Bonds in conformity in all respects with the provisions of this Notice of Sale except for the date of sale and except for the changes announced on TM3 News Service or Parity/www.i-dealprospectus.com at or before the time the sale date and time are announced.

Legal Opinion. The issuance of the Bonds will be subject to delivery of the approving opinion of McGuireWoods LLP, Baltimore, Maryland, and copies of their opinion shall be substantially in the form set forth in the Preliminary Official Statement (hereinafter defined). The opinion will be delivered, without charge, to the successful bidder for the Bonds.

CUSIP Numbers. CUSIP numbers for the Bonds will be applied for by the Financial Advisor, but the County will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Bonds.

Delivery of Bonds. The Bonds will be delivered on November 5, 2020, or as soon as practicable thereafter, at the expense of the County, for the account of the successful bidder, through the facilities of DTC in New York, New York, upon payment of the amount of the successful bid (including any premium), less the deposit theretofore made. Payment for the Bonds shall be made in federal funds. The Bonds will be issued by means of book-entry system with no physical distribution of bond certificates made to the public. The successful bidder for the Bonds, as a condition to delivery of the Bonds of such issue, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., its partnership nominee.

Closing Documents. The Bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending against the County affecting the validity of the Bonds. It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, such successful bidder shall be furnished a certificate or certificates of the President of the Board and the Director of Finance and Budget of the County to the effect that, to the best of their knowledge and belief, the Official Statement (hereinafter defined) (and any amendment or supplement thereto) (except for information relating to DTC and

its book-entry system and any information furnished by the successful bidder, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement (and any amendment or supplement thereto).

Preliminary Official Statement. The Preliminary Official Statement of the County concerning the Bonds (the “Preliminary Official Statement”) has been “deemed final” by the County as of its date for purposes of Rule 15c2-12 but is subject to revision, amendment and completion in the final Official Statement.

Official Statement. As soon as practicable after the award of the Bonds to the successful bidder therefor on the day of sale, the County will authorize the final Official Statement for the Bonds (the “Official Statement”). By submitting its bid for the Bonds, the successful bidder agrees to provide the County with pricing information and such other information as the County may require in order that the County may provide the successful bidder with a final Official Statement in compliance with Rule 15c2-12. Whether or not any such information is included in the Official Statement (and any amendment or supplement thereto), such successful bidder shall be responsible to the County and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any re-offering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. Within seven (7) business days after the award of the Bonds to the successful bidder, the County will deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement. The successful bidder will also be furnished, without cost, with up to 150 copies of the Official Statement and any amendments or supplements thereto. The successful bidder may obtain additional copies at the successful bidder’s own expense.

The County will undertake to provide the successful bidder with further additional information to be included in the Official Statement, when in the opinion of the County or of Bond Counsel, such additional information constitutes a material change to the Official Statement. The County will take such steps as are necessary to arrange for amending and supplementing the Official Statement in connection with the disclosure of such additional information; provided, however, that the County shall have no obligation to provide such additional information after the date which is 25 days after the “end of the underwriting period,” as such term is defined in Rule 15c2-12.

Continuing Disclosure Agreement. In order to assist bidders in complying with paragraph (b)(5) of Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which the County will undertake to provide certain information annually and notices of certain events. A description of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Additional Information. The Preliminary Official Statement of County Commissioners of Calvert County, Maryland, concerning the Bonds and copies of this Notice of Sale may be obtained from Timothy Hayden, Director of Finance and Budget, Courthouse, 175 Main Street, Prince Frederick, Maryland 20678, or from the County’s Financial Advisor, Davenport & Company LLC, 8600 LaSalle Road, The Oxford Building, Suite 618, Towson, Maryland 21286 (410-296-9426).

COUNTY COMMISSIONERS OF
CALVERT COUNTY

By: Kelly McConkey
President of the Board of County Commissioners

\$22,155,000
County Commissioners of Calvert County
Consolidated Public Improvement and Refunding Bonds, 2020 Series (Tax-Exempt)

ISSUE PRICE CERTIFICATE
(Qualified Competitive Bid)

The undersigned, on behalf of [NAME OF PURCHASER] (the “Purchaser”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Issuer* means County Commissioners of Calvert County.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 22, 2020.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as Purchaser

By: _____

Title: _____

Dated: _____, 2020

SCHEDULE A
Expected Offering Prices of the Bonds

SCHEDULE B
Copy of Bid

§ _____
County Commissioners of Calvert County
Consolidated Public Improvement and Refunding Bonds, 2020 Series (Tax-Exempt)

ISSUE PRICE CERTIFICATE
(Nonqualified Competitive Bid)

The undersigned, on behalf of [NAME OF PURCHASER] (the “Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the 10% Maturities.*** As of the date of this Certificate, for each Maturity of the 10% Maturities Bonds, the first price at which a Substantial Amount of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Undersold Maturities.***

(a) Each Underwriter offered the Undersold Maturities to the Public for purchase at the respective initial offering prices listed in Schedule B (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule C.

(b) As set forth in the Notice of Sale and bid award, each Underwriter has agreed in writing that, (i) for each Maturity of the Undersold Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so (the “hold-the-price rule”) and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-price rule. Pursuant to such agreement, no Underwriter has offered nor sold any Maturity of the Undersold Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Defined Terms.***

(a) ***10% Maturities*** means those Maturities of the Bonds shown in Schedule A hereto as the “10% Maturities.”

(b) ***Issuer*** means County Commissioners of Calvert County.

(c) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) ***Offering Period*** means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([_____, 2020]), or (ii) the date on which the Purchaser has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.

(e) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) ***Sale Date*** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2020.

(g) ***Substantial Amount*** means ten percent (10%).

(h) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule B hereto as the “Undersold Maturities.”

(i) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as
Purchaser

By: _____

Title: _____

Dated: _____, 2020

SCHEDULE A
Sale Prices of the 10% Maturities

SCHEDULE B
Initial Offering Prices of the Undersold Maturities

SCHEDULE C
Pricing Wire

NOTICE OF SALE
\$21,710,000*
COUNTY COMMISSIONERS OF CALVERT COUNTY
REFUNDING BONDS, 2020 SERIES (TAXABLE)

Electronic Bids via **PARITY®** will be received for the above-captioned issue of general obligation bonds (the “Bonds”) of County Commissioners of Calvert County (the “County”) by the Director of Finance and Budget of the County, 1st Floor, Courthouse, 175 Main Street, Prince Frederick, Maryland 20678, until 10:30 a.m. local time on Thursday,

October 22, 2020.

Dated Date and Interest Payment Dates. The Bonds will be dated their date of initial delivery. Interest on the Bonds will be payable semiannually on each May 1 and November 1, commencing May 1, 2021, until maturity or prior redemption.

Principal Amounts and Principal Payment Dates. The Bonds will be issued in serial form in the aggregate principal amount of \$21,710,000* and will mature on May 1 in the following years and in the following principal amounts:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>
2021	\$185,000	2031	\$375,000
2022	1,855,000	2032	370,000
2023	2,865,000	2033	370,000
2024	3,260,000	2034	360,000
2025	3,215,000	2035	360,000
2026	3,155,000	2036	370,000
2027	1,735,000	2037	320,000
2028	1,305,000	2038	225,000
2029	850,000	2039	170,000
2030	365,000		

Adjustments. The aggregate principal amount of the Bonds and the principal amount of each maturity of the Bonds as set forth in this Notice of Sale may be revised both before and after the receipt and opening of electronic bids for their purchase. Any revisions to the aggregate principal amount of the Bonds and the principal amount of each maturity made before the sale will be published on Parity/www.i-dealprospectus.com or TM3 News Service (“TM3”) not later than 9:30 a.m., local time on the date of sale or as soon thereafter as is reasonably practicable and will be used to compare bids and select the winning bidder. Any revisions to the aggregate principal amount of the Bonds and the principal amount of each maturity made after the sale will be communicated to the successful bidder by 5:00 p.m. local time on the date of sale and may be made, in the sole discretion of the County, only as necessary to effect the refunding and will not reduce or increase the aggregate principal amount of the Bonds by more than 15%. The dollar amount bid for principal and any amount bid for premium by the successful bidder will be adjusted proportionately to reflect any reduction in the aggregate principal amount of the Bonds, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

General Obligations. The Bonds will be the unconditional general obligation of the County and will be issued upon its full faith and credit, which will be irrevocably pledged to the prompt payment of the principal of and interest on all of the Bonds as the same become due.

*Preliminary, subject to change.

Book-Entry Form; Payment. The Bonds will be issued in book-entry form by issuing a single bond for each maturity registered in the name of Cede & Co. as nominee for The Depository Trust Company or its successor (“DTC”) and immobilized in its custody under DTC’s “FAST” system (provided that if DTC so requests or if DTC is replaced as the depository for the Bonds, replacement bonds will be issued in the denominations of \$5,000 or any integral multiples thereof). Principal of the Bonds will be payable at maturity to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

The principal of the Bonds will be payable at the designated office of Manufacturers and Traders Trust Company, Buffalo, New York (the “Bond Registrar”), upon presentation and surrender of the Bonds. Payment of interest on the Bonds shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of the County maintained by the Bond Registrar as the registered owner thereof, by check or draft mailed to each such registered owner at the address appearing on such registration books on the record date for the Bonds, which shall be the fifteenth day of the month next preceding each interest payment date. Notwithstanding the foregoing, while the Bonds are registered under DTC’s book-entry only system, payment of the principal of and interest on the Bonds shall be made by the Bond Registrar to DTC or its nominee in accordance with the procedures of DTC.

Authorization and Use of Proceeds. The issuance of the Bonds is authorized by Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume). The proceeds of the Bonds will be applied (a) to refund certain outstanding general obligation bonds of the County, and (b) to pay all costs, fees and expenses, including advertising, printing, financial advisory and legal fees, incurred in the issuance and sale of the Bonds.

Optional Redemption. The Bonds maturing on or before May 1, 2030 are not subject to redemption prior to their maturities. The Bonds maturing on or after May 1, 2031 shall be subject to redemption prior to their respective maturities, at the option of the County, at any time on or after May 1, 2030, either as a whole or in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate or rates stated in the Bonds to be redeemed. The procedures for redemption of the Bonds, including the requirements for giving notice of such redemption, are described in the Preliminary Official Statement (hereinafter defined) and are incorporated herein by reference.

TERMS OF SALE

Electronic Bids. Electronic bids will be received via **PARITY®** pursuant to this Notice of Sale until 10:30 a.m. local time on the date of sale, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY®** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY®**, potential bidders may contact **PARITY®** at (212) 849-5021. Bidders may only submit bids electronically via **PARITY®**.

Each prospective bidder shall be solely responsible to submit its bids via **PARITY®** as described above. Each prospective bidder shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor **PARITY®** shall have any duty or obligation to provide or assure access to **PARITY®** to any prospective bidder, and neither the County nor **PARITY®** shall be responsible for proper operation of, or have any liability for delays or interruptions of, or any damages caused by, **PARITY®**. The County is using **PARITY®** as a communication mechanism, and not as the County’s agent, to conduct the electronic bidding for the Bonds. The County is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid parameters set forth herein. All costs and expenses incurred by prospective bidders in connection with their submissions of bids via **PARITY®** are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, such bidder should telephone **PARITY®** at (212) 849-5021 and notify the County’s Financial Advisor, Davenport & Company LLC, by facsimile at (866) 932-6660 and by telephone at (410) 296-9426.

Electronic bids must be submitted for the purchase of the Bonds (all or none) via **PARITY®**. Bids will be communicated electronically to the County at 10:30 a.m. local time, on October 22, 2020. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via **PARITY®**, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via **PARITY®** to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. *For purposes of the electronic bidding process and the time for submitting sealed bids, the time as maintained on **PARITY®** shall constitute the official time.*

Designation of Term Bonds. Bidders may designate in their bid two or more consecutive serial maturities as a term bond which matures on the maturity date of the last serial maturity of the sequence. More than one such sequence of serial maturities may be designated as a term bond. Any term bond so designated shall be subject to mandatory redemption in each year on the principal payment date and in the entire amount of each serial maturity designated for inclusion in such term bond.

Bidding Constraints. Each bidder shall submit one bid via **PARITY®** on an “all-or-none” basis. Each bid must specify the rate or rates of interest to be paid on the Bonds, in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%). Bidders may specify more than one rate of interest to be borne by the Bonds, but all Bonds maturing on the same date must bear interest at the same rate. Bidders may not specify (1) any interest rate for any Bonds which exceeds the interest rate stated in such bid for any other Bonds by more than 3.00%, (2) any interest rate that exceeds 5.00%, or (3) a zero rate of interest. Bidders are requested to specify the true interest cost (computed in accordance with the terms of this Notice of Sale) in their bids for the Bonds. A bid for the purchase of the Bonds at a price of less than 100% of par, or a bid for the Bonds that specifies split or supplemental interest rates, will not be considered. The County will also not consider and will reject any bid for the purchase of less than all of the Bonds. All bids must be unconditional.

By submitting a bid for the Bonds, the bidder agrees, if it is the successful bidder for the Bonds, (1) to provide full and complete pricing information with respect to the Bonds to the County in a timely manner so that the County may fulfill its obligation relating to the delivery of the Official Statement to the purchaser of the Bonds within seven business days following the award, including, without limitation, the offering price(s), interest rate(s), selling compensation, delivery dates and other similar information; (2) to comply with the requirements of SEC Rule 15c2-12 (“Rule 15c2-12”), applicable federal and state securities laws and the applicable rules of the Municipal Securities Rulemaking Board (the “MSRB”) in connection with the offer and sale of the Bonds; and (3) within three business days after the final Official Statement becomes available, to cause copies thereof to be filed with the MSRB.

Good Faith Deposit. A good faith deposit (the “Deposit”) is required in connection with the sale and bid for the Bonds. The Deposit will be provided in the form of a federal funds wire transfer in the amount of \$217,100 to be submitted to the County by the successful bidder not later than 3:00 p.m. local time (the “Deposit Deadline”) on the date of sale. The Deposit of the successful bidder will be retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages.

The County shall distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the County in its discretion without any financial liability of the County to the successful bidder or any limitation whatsoever on the County’s right to sell the Bonds to a different purchaser upon such terms and conditions as the County shall deem appropriate.

Award of Bonds. The County will not consider and will reject any bid for the purchase of less than all of the Bonds. THE RIGHT IS RESERVED TO REJECT ANY AND ALL BIDS AND TO WAIVE ANY IRREGULARITY OR NON-CONFORMITY IN ANY BID. Bids will be opened promptly after 10:30 a.m. local time (as determined in accordance with the time as maintained on **PARITY®**) on October 22, 2020. The award, if made, will be made as promptly as possible after the bids are opened to the bidder offering the lowest interest rate to the County. The lowest interest rate shall be determined in accordance with the true interest cost (TIC) method by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid. The TIC shall be as determined by the financial advisor to the County based on the terms of this Notice of Sale and all amendments thereto and on each bid as submitted. If two or more bidders offer to purchase the Bonds at the same lowest true interest cost, then such award will be made to the bidder offering the highest premium. If two or more bidders offer to purchase the Bonds at the same lowest true interest cost, with the same premium, the Bonds will be awarded by lot to one of such bidders. The judgment of the County shall be final and binding upon all bidders with respect to the form and adequacy of any bid received and as to its conformity to the terms of this Notice of Sale.

Postponement of Sale; Change in Bidding Constraints. The County reserves the right to postpone, from time to time, the date or time established for the receipt of the bids or to change the bidding constraints on the Bonds. Any such postponement or change in bidding constraints will be announced on TM3 News Service or Parity/www.i-dealprospectus.com by notice given not later than 1:00 p.m. local time, on the last business day prior to any announced date for receipt of bids. If any date fixed for the receipt of bids and the sale of the Bonds is postponed, any alternative sale date will be announced on TM3 News Service or Parity/www.i-dealprospectus.com at least 48 hours prior to such alternative sale date. In addition, the County reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent alternative sale date. On any such alternative sale date, any bidder may submit an electronic bid via **PARITY®** for the purchase of the Bonds in conformity in all respects with the provisions of this Notice of Sale except for the date of sale and except for the changes announced on TM3 News Service or Parity/www.i-dealprospectus.com at or before the time the sale date and time are announced.

Legal Opinion. The issuance of the Bonds will be subject to delivery of the approving opinion of McGuireWoods LLP, Baltimore, Maryland, and copies of their opinion shall be substantially in the form set forth in the Preliminary Official Statement (hereinafter defined). The opinion will be delivered, without charge, to the successful bidder for the Bonds.

CUSIP Numbers. CUSIP numbers for the Bonds will be applied for by the Financial Advisor, but the County will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Bonds.

Delivery of Bonds. The Bonds will be delivered on November 5, 2020, or as soon as practicable thereafter, at the expense of the County, for the account of the successful bidder, through the facilities of DTC in New York, New York, upon payment of the amount of the successful bid (including any premium), less the deposit theretofore made. Payment for the Bonds shall be made in federal funds. The Bonds will be issued by means of book-entry system with no physical distribution of bond certificates made to the public. The successful bidder for the Bonds, as a condition to delivery of the Bonds of such issue, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., its partnership nominee.

Closing Documents. The Bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending against the County affecting the validity of the Bonds. It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, such successful bidder shall be furnished a certificate or certificates of the President of the Board and the Director of Finance and Budget of the County to the effect that, to the best of their knowledge and belief, the Official Statement (hereinafter defined) (and any amendment or supplement thereto) (except for information relating to DTC and its book-entry system and any information furnished by the successful bidder, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement (and any amendment or supplement thereto).

Preliminary Official Statement. The Preliminary Official Statement of the County concerning the Bonds (the "Preliminary Official Statement") has been "deemed final" by the County as of its date for purposes of Rule 15c2-12 but is subject to revision, amendment and completion in the final Official Statement.

Official Statement. As soon as practicable after the award of the Bonds to the successful bidder therefor on the day of sale, the County will authorize the final Official Statement for the Bonds (the “Official Statement”). By submitting its bid for the Bonds, the successful bidder agrees to provide the County with pricing information and such other information as the County may require in order that the County may provide the successful bidder with a final Official Statement in compliance with Rule 15c2-12. Whether or not any such information is included in the Official Statement (and any amendment or supplement thereto), such successful bidder shall be responsible to the County and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any re-offering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. Within seven (7) business days after the award of the Bonds to the successful bidder, the County will deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement. The successful bidder will also be furnished, without cost, with up to 150 copies of the Official Statement and any amendments or supplements thereto. The successful bidder may obtain additional copies at the successful bidder’s own expense.

The County will undertake to provide the successful bidder with further additional information to be included in the Official Statement, when in the opinion of the County or of Bond Counsel, such additional information constitutes a material change to the Official Statement. The County will take such steps as are necessary to arrange for amending and supplementing the Official Statement in connection with the disclosure of such additional information; provided, however, that the County shall have no obligation to provide such additional information after the date which is 25 days after the “end of the underwriting period,” as such term is defined in Rule 15c2-12.

Continuing Disclosure Agreement. In order to assist bidders in complying with paragraph (b)(5) of Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement on or before the date of issuance of the Bonds pursuant to which the County will undertake to provide certain information annually and notices of certain events. A description of this agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Additional Information. The Preliminary Official Statement of County Commissioners of Calvert County, Maryland, concerning the Bonds and copies of this Notice of Sale may be obtained from Timothy Hayden, Director of Finance and Budget, Courthouse, 175 Main Street, Prince Frederick, Maryland 20678, or from the County’s Financial Advisor, Davenport & Company LLC, 8600 LaSalle Road, The Oxford Building, Suite 618, Towson, Maryland 21286 (410-296-9426).

COUNTY COMMISSIONERS OF
CALVERT COUNTY

By: Kelly McConkey
President of the Board of County Commissioners

Appendix D

Refunded Bonds Outstanding as of October 22, 2020

Consolidated Public Improvement Bonds, 2010 Series
(Taxable Build America Bonds – Direct Payment to Issuer)
(to be redeemed on or about December 5, 2020)

Maturing July 1	<u>Principal</u>	<u>Rate of Interest</u>	<u>Redemption Price</u>	<u>CUSIP</u>
2021	\$1,245,000	4.500%	100.000%	131537VR0
2022	1,285,000	4.600	100.000	131537VS8
2023	1,330,000	4.750	100.000	131537VT6
2024	1,375,000	4.850	100.000	131537VU3
2025	1,425,000	4.950	100.000	131537VV1

Consolidated Public Improvement Bonds, 2011 Series
(to be redeemed on or about May 1, 2021)

Maturing May 1	<u>Principal</u>	<u>Rate of Interest</u>	<u>Redemption Price</u>	<u>CUSIP</u>
2022	\$1,470,000	3.000%	100.000%	131537WG3
2023	1,470,000	3.125	100.000	131537WH1
2024	1,470,000	3.350	100.000	131537WJ7
2025	1,470,000	3.500	100.000	131537WK4
2026	1,470,000	3.600	100.000	131537WL2
2031*	475,000	4.125	100.000	131537WR9
2036*	475,000	4.500	100.000	131537WW8

*Term Bonds.

Consolidated Public Improvement and Refunding Bonds, 2012 Series
(to be redeemed on or about April 1, 2022)

Maturing April 1	<u>Principal</u>	<u>Rate of Interest</u>	<u>Redemption Price</u>	<u>CUSIP</u>
2023	\$545,000	4.000%	100.000%	131537YC0
2024	545,000	4.000	100.000	131537YD8
2025	545,000	4.000	100.000	131537YE6
2026	545,000	4.000	100.000	131537YF3
2027	535,000	3.000	100.000	131537YG1
2028	120,000	3.000	100.000	131537YH9
2029	120,000	3.000	100.000	131537YJ5
2030	120,000	3.000	100.000	131537KY2
2032*	240,000	3.000	100.000	131537YM8
2033	120,000	3.000	100.000	131537YN6
2034	120,000	3.000	100.000	131537YP1
2035	120,000	3.100	100.000	131537YQ9
2036	120,000	3.125	100.000	131537YR7
2037	120,000	3.200	100.000	131537YS5

*Term Bonds.

Consolidated Public Improvement Bonds, 2014 Series
(to be redeemed on or about May 1, 2022)

Maturing May 1	<u>Principal</u>	<u>Rate of Interest</u>	<u>Redemption Price</u>	<u>CUSIP</u>
2023	\$500,000	2.000%	100.000%	131537A69
2024	520,000	2.250	100.000	131537A77
2025	540,000	3.000	100.000	131537A85
2026	550,000	3.000	100.000	131537A93
2027	570,000	3.000	100.000	131537B27
2028	585,000	3.000	100.000	131537B35
2029	605,000	3.000	100.000	131537B43
2030	135,000	3.000	100.000	131537B50
2031	145,000	3.000	100.000	131537B68
2032	150,000	3.250	100.000	131537B76
2033	155,000	3.250	100.000	131537B84
2036*	500,000	3.500	100.000	131537C34
2039*	560,000	3.500	100.000	131537C67

*Term Bonds.

Note: CUSIP (Committee on Uniform Securities Identification Procedures) data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association (“ABA”) by S&P Global Market Intelligence. “CUSIP” is a registered trademark of the ABA. CUSIP numbers are included solely for the convenience of the holders of the Bonds. Neither the County nor the successful bidder takes any responsibility for the accuracy of CUSIP information. The CUSIP number for a specific maturity is subject to change after the issuance of the Bonds in certain circumstances. The County has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the assigned CUSIP numbers set forth herein. The use of CUSIP numbers in this Official Statement is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services.



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